

Exhibit D.

Farm Bureau Claim File

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
WESTERN DIVISION

**FILED**

**OCT 28 2015**

  
CLERK

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UNITED STATES OF AMERICA,

CR 15-50064

Plaintiff,

FACTUAL BASIS STATEMENT

vs.

KARL JAKOB KNUTSON,

Defendant.

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The undersigned parties stipulate that the following facts are true and establish a factual basis for the plea in the action pursuant to Federal Rules of Criminal Procedure 11(b)(3):

On May 2, 2014, Karl Jakob Knutson submitted a signed CCC-852, Livestock Indemnity Program application to the Meade County Farm Service Agency office in Sturgis, South Dakota. The Farm Service Agency is an agency of the United States Department of Agriculture, which is an agency of the United States. In the application, Knutson claimed to have lost 129 head of cattle due to the adverse weather conditions caused by winter storm Atlas in October 2013. The application sought disaster payment which, if paid, was estimated by the Farm Services Agency to amount to \$116,845. The Livestock Indemnity Program and the disaster funds dispersible under the program are matters material to the United States Department of Agriculture.

When asked to submit documentation in support of his CCC-852 application, Knutson submitted to the Farm Services Agency a handwritten

invoice showing he had purchased 103 head of cattle from PN Ranch in Broadus, Montana, in January of 2013. Knutson claimed many of these cattle had died along with a number of their calves in the October 2013 storm. At the time Knutson filed his CCC-852 application, he knew the claim was false, fictitious and fraudulent, in that he had actually lost no more than 13 head of cattle during the October 2013 storm. Knutson also knew at the time he provided the handwritten purchase invoice to the Farm Services Agency, that the invoice was false, fictitious, and fraudulent, in that he had not purchased 103 head of cattle from PN Ranch in Broadus, Montana, in January of 2013.

RANDOLPH J. SEILER  
Acting United States Attorney

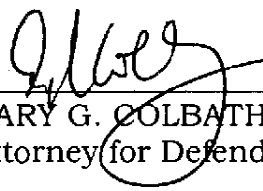
10-27-2015  
Date

  
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10-26-15  
Date

  
KARL JAKOB KNUTSON  
Defendant

10/26/15  
Date

  
GARY G. COLBATH, JR.  
Attorney for Defendant

AO 245B (Rev. 09/14) Judgment in a Criminal Case  
Sheet 1

## UNITED STATES DISTRICT COURT

District Of South Dakota, Western Division

UNITED STATES OF AMERICA

v.

Karl Jakob Knutson

JUDGMENT IN A CRIMINAL CASE

Case Number: 5:15CR50064-1

USM Number: 14437-273

Gary G. Colbath  
Defendant's Attorney

## THE DEFENDANT:

☒ pleaded guilty to count(s) Count 1 of the Indictment.☐ pleaded nolo contendere to count(s)  
which was accepted by the Court.☐ was found guilty on count(s)  
after a plea of not guilty.

The defendant is adjudicated guilty of these offenses:

Title & Section

18 U.S.C. § 287

Nature of Offense

False Claim

Offense Ended

05/02/2014

Count

1

FILED

MAR 04 2016

  
CLERK

The defendant is sentenced as provided in this Judgment. The sentence is imposed pursuant to the statutory and constitutional authority vested in this Court.

☐ The defendant has been found not guilty on count(s) \_\_\_\_\_☒ Count(s) 2 of the Indictment ☒ is ☐ are dismissed on the motion of the United States.

It is ordered that the defendant must notify the United States attorney for this district within 30 days of any change of name, residence, or mailing address until all fines, restitution, costs, and special assessments imposed by this Judgment are fully paid. If ordered to pay restitution, the defendant must notify the Court and United States attorney of material changes in economic circumstances.

03/04/2016

Date of Imposition of Judgment

  
Signature of Judge

Jeffrey L. Viken, Chief Judge

Name and Title of Judge

Date

March 4, 2016

FB0225



AO 245B (Rev. 09/14) Judgment in Criminal Case  
Sheet 2 — Imprisonment

DEFENDANT: Karl Jakob Knutson  
CASE NUMBER: 5:15CR50064-1

### IMPRISONMENT

☒ The defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total term of: 12 months.

☐ The Court makes the following recommendations to the Bureau of Prisons:

☒ The defendant is remanded to the custody of the United States Marshal.

☐ The defendant shall surrender to the United States Marshal for this district:

☐ by \_\_\_\_\_ ☐ a.m. ☐ p.m. on \_\_\_\_\_.

☐ as notified by the United States Marshal.

☐ Or the defendant shall surrender for service of sentence at the institution designated by the Bureau of Prisons:

☐ before 2 p.m. on \_\_\_\_\_ or as notified by the United States Marshal.

☐ as notified by the Probation or Pretrial Services Office.

### RETURN

I have executed this Judgment as follows:

\_\_\_\_\_  
\_\_\_\_\_

Defendant delivered on \_\_\_\_\_ to \_\_\_\_\_  
at \_\_\_\_\_, with a certified copy of this Judgment.

UNITED STATES MARSHAL

By

DEPUTY UNITED STATES MARSHAL

AO 245B (Rev. 09/14) Judgment in a Criminal Case  
Sheet 3 — Supervised Release

DEFENDANT: Karl Jakob Knutson  
CASE NUMBER: 5:15CR50064-1

### SUPERVISED RELEASE

Upon release from imprisonment, the defendant shall be on supervised release for a term of : 3 years.

The defendant must report to the probation office in the district to which the defendant is released within 72 hours of release from the custody of the Bureau of Prisons.

The defendant shall not commit another federal, state, or local crime.

The defendant shall not unlawfully possess a controlled substance. The defendant shall refrain from any unlawful use of a controlled substance. The defendant shall submit to one drug test within 15 days of release from imprisonment and at least two periodic drug tests thereafter, as determined by the Court.

- ☒ The above drug testing condition is suspended based on the Court's determination the defendant poses a low risk of future substance abuse. *(Check, if applicable.)*
- ☒ The defendant shall not possess a firearm, ammunition, destructive device, or any other dangerous weapon. *(Check, if applicable.)*
- ☒ The defendant shall cooperate in the collection of DNA as required by statute. *(Check, if applicable.)*
- ☐ The defendant shall comply with the requirements of the Sex Offender Registration and Notification Act as required by statute. *(Check, if applicable.)*
- ☐ The defendant shall participate in an approved program for domestic violence. *(Check, if applicable.)*

If this Judgment imposes a fine or restitution, it is a condition of supervised release that the defendant pay in accordance with the Schedule of Payments sheet of this Judgment.

The defendant must comply with the standard conditions that have been adopted by this Court, as well as with any additional conditions on the attached page.

### STANDARD CONDITIONS OF SUPERVISION

- 1) the defendant shall not leave the judicial district without the permission of the Court or probation officer;
- 2) the defendant shall report to the probation officer in a manner and frequency directed by the Court or probation officer;
- 3) the defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- 4) the defendant shall support his or her dependents and meet other family responsibilities;
- 5) the defendant shall work regularly at a lawful occupation, unless excused by the probation officer for schooling, training, or other acceptable reasons;
- 6) the defendant shall notify the probation officer at least ten days prior to any change in residence or employment;
- 7) the defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance or any paraphernalia related to any controlled substances, except as prescribed by a physician;
- 8) the defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered;
- 9) the defendant shall not associate with any persons engaged in criminal activity and shall not associate with any person convicted of a felony, unless granted permission to do so by the probation officer;
- 10) the defendant shall permit a probation officer to visit him or her at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view of the probation officer;
- 11) the defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- 12) the defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the Court; and
- 13) as directed by the probation officer, the defendant shall notify third parties of risks that may be occasioned by the defendant's criminal record or personal history or characteristics and shall permit the probation officer to make such notifications and to confirm the defendant's compliance with such notification requirement.

AO 245B (Rev. 09/14) Judgment in a Criminal Case  
Conditions of Supervision

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DEFENDANT: Karl Jakob Knutson  
CASE NUMBER: 5:15CR50064-1

### **SPECIAL CONDITIONS OF SUPERVISION**

1. The defendant shall participate in and complete a cognitive behavioral training program as directed by the probation office.
2. The defendant shall provide the probation office with access to any requested financial information.
3. The defendant shall apply all monies received from income tax refunds, lottery winnings, judgments, and/or any other anticipated or unexpected financial gains to the outstanding court-ordered financial obligation.
4. The defendant shall not incur new credit charges or open additional lines of credit without the approval of the probation office unless the defendant is in compliance with any payment schedule established.

AO 245B (Rev. 09/14) Judgment in a Criminal Case  
Sheet 5 — Criminal Monetary Penalties

DEFENDANT: Karl Jakob Knutson  
CASE NUMBER: 5:15CR50064-1

### CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the Schedule of Payments on Sheet 6.

	<u>Assessment</u>	<u>Fine</u>	<u>Restitution</u>
<b>TOTALS</b>	\$100	\$7,380.04	None

- ☐ The determination of restitution is deferred until  
An *Amended Judgment in a Criminal Case (AO 245C)* will be entered after such determination.
- ☐ The defendant must make restitution (including community restitution) to the following payees in the amount listed below.
- ☐ If the defendant makes a partial payment, each payee shall receive an approximately proportioned payment, unless specified otherwise in the priority order or percentage payment column below. However, pursuant to 18 U.S.C. § 3664(i), all nonfederal victims must be paid before the United States is paid.

<u>Name of Payee</u>	<u>Total Loss*</u>	<u>Restitution Ordered</u>	<u>Priority or Percentage</u>
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<b>TOTALS</b>	\$ _____	\$ _____
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- ☐ Restitution amount ordered pursuant to Plea Agreement \$ \_\_\_\_\_
- ☐ The defendant must pay interest on restitution and a fine of more than \$2,500, unless the restitution or fine is paid in full before the fifteenth day after the date of the Judgment, pursuant to 18 U.S.C. § 3612(f). All of the payment options on Sheet 6 may be subject to penalties for delinquency and default, pursuant to 18 U.S.C. § 3612(g).
- ☒ The Court determined that the defendant does not have the ability to pay interest and it is ordered that:
- ☒ the interest requirement is waived for the ☒ fine ☐ restitution.
- ☐ the interest requirement for the ☐ fine ☐ restitution is modified as follows:

\* Findings for the total amount of losses are required under Chapters 109A, 110, 110A, and 113A of Title 18 for offenses committed on or after September 13, 1994, but before April 23, 1996.

AO245B (Rev. 09/14) Judgment in a Criminal Case  
Sheet 5 — Schedule of Payments

DEFENDANT: Karl Jakob Knutson  
CASE NUMBER: 5:15CR50064-1

### SCHEDULE OF PAYMENTS

Having assessed the defendant's ability to pay, payment of the total criminal monetary penalties is due as follows:

- A ☒ Lump sum payment of \$ 100 due immediately, balance due
- ☐ not later than \_\_\_\_\_, or
- ☒ in accordance with ☐ C, ☐ D, ☒ E, or ☐ F below; or
- B ☐ Payment to begin immediately (may be combined with ☐ C, ☐ D, or ☐ F below); or
- C ☐ Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_, to commence \_\_\_\_\_ (e.g., 30 or 60 days) after the date of this Judgment; or
- D ☐ Payment in equal \_\_\_\_\_ (e.g., weekly, monthly, quarterly) installments of \$ \_\_\_\_\_, to commence \_\_\_\_\_ (e.g., 30 or 60 days) after release from imprisonment to a term of supervision; or
- E ☒ Payment of the total fine and other criminal monetary penalties shall be due in regular quarterly installments of 50% of the deposits in the defendant's inmate trust account while the defendant is in custody, or 10% of the defendant's inmate trust account while serving custody at a Residential Reentry Center. Any portion of the monetary obligation(s) not paid in full prior to the defendant's release from custody shall be due in monthly installments of \$200, such payments to begin 60 days following the defendant's release.
- F ☐ Special instructions regarding the payment of criminal monetary penalties:

Unless the Court has expressly ordered otherwise, if this Judgment imposes imprisonment, payment of criminal monetary penalties is due during imprisonment. All criminal monetary penalties, except those payments made through the Federal Bureau of Prisons' Inmate Financial Responsibility Program, are made to the Clerk of the Court.

The defendant shall receive credit for all payments previously made toward any criminal monetary penalties imposed.

- ☐ Joint and Several

Defendant and Co-Defendant Names and Case Numbers (including defendant number), Total Amount, Joint and Several Amount, and corresponding payee, if appropriate.

- ☐ The defendant shall pay the cost of prosecution.
- ☐ The defendant shall pay the following court cost(s):
- ☐ The defendant shall forfeit the defendant's interest in the following property to the United States:

Payments shall be applied in the following order: (1) assessment, (2) restitution principal, (3) restitution interest, (4) fine principal, (5) fine interest, (6) community restitution, (7) penalties, and (8) costs, including cost of prosecution and court costs.

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
WESTERN DIVISION

**FILED**

OCT 28 2015

*[Signature]*  
CLERK

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UNITED STATES OF AMERICA,

CR 15-50064

Plaintiff,

PLEA AGREEMENT

vs.

KARL JAKOB KNUTSON,

Defendant.

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The Defendant, the Defendant's attorney, and the United States Attorney for the District of South Dakota hereby submit the following Plea Agreement to the United States District Court, which Agreement was reached pursuant to discussions between the United States Attorney and the Defendant's attorney. The Agreement is as follows:

**A. ACKNOWLEDGMENT AND WAIVER OF RIGHTS AND UNDERSTANDING OF MAXIMUM PENALTIES:** The Defendant agrees that he has been fully advised of his statutory and constitutional rights herein, and that he has been informed of the charges and allegations against him and the penalty therefor, and that he understands same. The Defendant further agrees that he understands that by entering a plea of guilty as set forth hereafter, he will be waiving certain statutory and constitutional rights to which he is otherwise entitled.

**B. PLEA AGREEMENT PROCEDURE - NO RIGHT TO WITHDRAW PLEA IF COURT REJECTS RECOMMENDATION:** The United States and the

Defendant agree that this Plea Agreement is presented to the Court pursuant to Rules 11(c)(1)(A) and (B) of the Federal Rules of Criminal Procedure, which, among other things, authorize the United States to move for dismissal of other charges and to make recommendations or agree not to oppose the Defendant's request for a particular sentence. Such agreements and recommendations are not binding on the Court, and the Defendant may not withdraw his plea of guilty if the Court rejects them.

**C. PLEA OF GUILTY TO CHARGE AND DISMISSAL OF OTHER CHARGE:** The Defendant will plead guilty to Count I of the Indictment filed in this case which charges False Claim, a violation of 18 U.S.C. § 287. The charge carries a maximum sentence of 5 years in prison, a \$250,000 fine, or both, and a period of supervised release of 3 years. If the Defendant is found by a preponderance of evidence to have violated a condition of supervised release, he may be incarcerated for an additional term of up to 2 years on any such revocation. There is also a \$100 assessment to the victims' assistance fund. Restitution may also be ordered.

Upon acceptance of the plea by the Court and the imposition of sentence, this section shall be treated as a motion to dismiss the remaining count in the Indictment as it pertains to the Defendant pursuant to the terms of this plea agreement.

**D. VIOLATION OF TERMS AND CONDITIONS:** The Defendant acknowledges and understands that if he violates the terms of this plea agreement, engages in any further criminal activity, or fails to appear for

sentencing, this plea agreement shall become voidable at the discretion of the United States and the Defendant will face the following consequences:

(1) All testimony and other information the Defendant has provided at any time to attorneys, employees, or law enforcement officers of the United States, to the Court, or to the federal grand jury may and will be used against him in any prosecution or proceeding.

(2) The United States will be entitled to reinstate previously dismissed charges and/or pursue additional charges against the Defendant, and to use any information obtained directly or indirectly from him in those additional prosecutions.

(3) The United States will be released from any obligations, agreements, or restrictions imposed upon it under this plea agreement.

**E. ACCEPTANCE OF RESPONSIBILITY:** The United States agrees that based upon the information known to it at this time, the Defendant is entitled to a two-level decrease in his offense level pursuant to U.S.S.G. § 3E1.1(a), provided no evidence is disclosed in the presentence report which indicates the Defendant has not demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct, and further provided he: (1) complies with the terms of this plea agreement; (2) testifies truthfully during the change of plea hearing; (3) participates truthfully with the Probation Office in the presentence investigation; (4) does not violate any conditions of pretrial detention or release after he signs this agreement; and (5) continues to exhibit conduct consistent with acceptance of responsibility. Both



the United States and the Defendant otherwise reserve the right to present evidence and make argument regarding sentencing.

**F. TIMELY ACCEPTANCE OF RESPONSIBILITY:** The United States agrees that the Defendant has timely notified authorities of his intention to enter a plea of guilty thereby permitting the United States and the Court to allocate their resources efficiently. Therefore, if the offense level determined prior to the operation of U.S.S.G. § 3E1.1(a) is level 16 or greater and the Defendant qualifies for a two-level decrease under U.S.S.G. § 3E1.1(a), this provision shall be treated at the sentencing hearing as a motion pursuant to U.S.S.G. § 3E1.1(b) to decrease the offense level by one additional level.

**G. GOVERNMENT'S RECOMMENDATION REGARDING SENTENCE**  
– **PROBATION:** With respect to sentencing, the United States agrees that it will recommend that the Court place the Defendant on probation for such period and upon such terms and conditions as the Court deems best. The United States may also recommend, to the extent that any presentence investigation report herein might deem appropriate, that the Court order the Defendant to make restitution for losses occasioned to the United States Department of Agriculture, Food Distribution Program on an Indian Reservation. The United States reserves the right to present evidence and arguments in support of its position or to rebut or clarify matters raised by the Defendant in mitigation of his sentence. The Defendant understands that he may not withdraw his plea of guilty if the Court rejects any recommendation.

**H. SPECIAL ASSESSMENT:** The Defendant agrees to remit to the U.S. Clerk of Court, 515 9th Street, Rapid City, SD 57701, no later than two weeks prior to sentencing, a certified or cashier's check payable to the "U.S. Clerk of Court" in the amount of \$100, in full satisfaction of the statutory costs pursuant to 18 U.S.C. § 3013.

**I. RESTITUTION - AGREEMENT TO PAY:** The Defendant hereby agrees to pay full restitution as ordered by the Court pursuant to 18 U.S.C. § 3663 and 3663A.

**J. FINE - AGREEMENT TO PAY:** The Defendant hereby agrees to pay a fine in the amount of \$7,380.04.

**K. MONETARY OBLIGATIONS - DEFENDANT'S ONGOING DUTY:** If the Defendant does not have sufficient financial resources to immediately satisfy the financial obligations imposed upon him at sentencing the Defendant agrees, if requested by the United States, to promptly execute and return an executed Authorization to Release Financial Records and Documents, an executed Authorization to Release Tax Returns and Attachments and an executed Financial Statement. The Defendant understands that this is an ongoing duty which continues until such time as payment is remitted in full. Also the Defendant may be required to furnish the requested information, as well as current earnings statements and copies of his W-2s even if the request is made after he has been sentenced.

The Defendant agrees to assist the United States in identifying, locating, returning, and transferring assets for use in payment of any financial obligations imposed as part of the sentence in this case.

The Defendant also agrees that if he is incarcerated, he will participate in the Bureau of Prison's Inmate Financial Responsibility Program during any period of incarceration in order to pay any financial obligations ordered by the Court. The Defendant's agreement to participate in the Inmate Financial Responsibility Program does not limit the United States' right to pursue collection from other available sources. If there is no period of incarceration ordered, the Defendant agrees that payment of any financial obligations ordered by the Court shall be a condition of probation.

**L. RESERVING THE RIGHT TO REBUT OR CLARIFY MITIGATION INFORMATION:** The United States reserves the right to rebut or clarify matters set forth in the presentence investigation report, or raised by the Defendant in mitigation of his sentence, with evidence and argument.

**M. BASIS FOR PLEA OF GUILTY:** The Defendant agrees that the statement of facts, signed by the parties and incorporated herein by this reference, provides the basis for his guilty plea in this case, and is a true and accurate statement of his actions or omissions with regard to the charges to which he is entering a plea, and that the Court may rely thereon in determining the basis for his plea of guilty as provided for in this plea agreement.

**N. WAIVER OF SPEEDY TRIAL:** The Defendant agrees to waive any rights to a speedy trial under either the United States constitution or the

Speedy Trial Act. This waiver is necessary so that the Court will have the benefit of all relevant information at sentencing.

**O. PARTIES BOUND:** It is further understood and agreed that this agreement is limited to the United States Attorney's Office for the District of South Dakota, and that this agreement cannot and does not bind other federal, state, or local prosecuting authorities.

**P. SCOPE OF AGREEMENT:** This agreement shall include any attachments, exhibits or supplements designated by the parties. It is further understood and agreed that no additional promises, agreements, or conditions have been entered into other than those set forth in this agreement, and this agreement supersedes any earlier or other understanding or agreement.


**Q. WAIVER OF DEFENSES AND APPEAL RIGHTS:** The Defendant hereby waives all defenses and his right to appeal any non-jurisdictional issues. The parties agree that excluded from this waiver is the Defendant's right to appeal any decision by the Court to depart upward pursuant to the sentencing guidelines as well as the length of his sentence for a determination of its substantive reasonableness should the Court impose an upward departure or an upward variance pursuant to 18 U.S.C. § 3553(a).

#### **SUPPLEMENT TO PLEA AGREEMENT**


The United States will file a Supplement to Plea Agreement which is required to be filed in every case in compliance with the Court's Standing Order.

RANDOLPH J. SEILER  
Acting United States Attorney

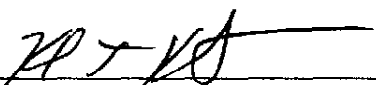
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Date

  
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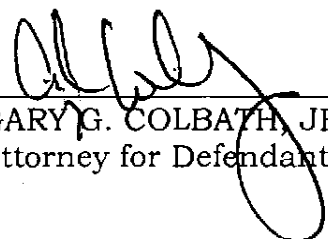
APPROVED:  
RANDOLPH J. SEILER  
Acting United States Attorney  
By:

  
GREGG PETERMAN  
Supervisory Assistant U.S. Attorney

10/26/15  
Date

  
Karl Jakob Knutson  
Defendant

10/26/15  
Date

  
GARY G. COLBATH, JR.  
Attorney for Defendant

Court Name: District of South Dakota  
Division: 5  
Receipt Number: SDX500004380  
Cashier ID: kklein  
Transaction Date: 03/23/2016  
Payer Name: Knutson Irrigation Service Inc

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CRIMINAL DEBT

For: Karl Jakob Knutson  
Case/Party: D-SDX-5-15-CR-050064-001  
Amount: \$7,380.04

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PAPER CHECK CONVERSION

Check/Money Order Num: 16349  
Amt Tendered: \$7,380.04

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Total Due: \$7,380.04  
Total Tendered: \$7,380.04  
Change Amt: \$0.00

USA v. Knutson; 15-50064

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH DAKOTA  
WESTERN DIVISION

**FILED**

**FEB 26 2016**

  
CLERK

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UNITED STATES OF AMERICA,

CR 15-50064

Plaintiff,

VARIANCE MOTION AND  
SENTENCING MEMORANDUM

vs.

KARL JAKOB KNUTSON,

Defendant.

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Karl Knutson urges the court to give him a sentence of probation that substitutes a fine of \$7,380.04 for a period of incarceration and contains other terms and conditions geared towards helping him transition into a new career, and productive, law abiding lifestyle.

Karl made a huge error in judgment following winter storm Atlas caught up in his father's and surrounding ranchers' cattle loses resulting from the storm. Both relatives and friends were submitting claims for lost animals through a government program and Karl wrongfully submitted a claim for animals he could not prove belonged to him or were lost in the storm. However, as the claim was processed, circumstances surrounding his situation lead to an investigation into the propriety of his claim. When investigators came and spoke with him about the claim, he provided an interview with them and then promptly withdrew all of his claim paperwork to stop the processing of the same before any amounts were paid.

Ultimately, as this matter was prosecuted, Knutson accepted full responsibility for his actions beginning with his guilty plea. Knutson also negotiated an agreement with the government, if the court chooses to accept it, that would provide a fine equal to the amount of

money it cost to investigate his false claim. As no money was paid under the claim there is no restitution to pay. However, Knutson felt it appropriate and necessary that he fully “pay back” the government for the consequences of his actions and urges the court to accept this joint recommendation as part of the sentence in this case.

## **FACTS**

### **A. Offense Related Facts.**

The relevant facts of this offense are set forth in the PSR and statement of factual basis. The offense is Knutson’s first felony offense and no monetary loss occurred as a result of his conduct. He ultimately accepted full responsibility for his actions and corrected the false claim during the investigation.

### **B. General Facts about Defendant.**

As the information in the PSR indicates, Karl Knutson is a young man, just 28 years old. He and his fiancé are hard working, ranch raised individuals just starting a life together with plans for a family and work in the area in which they were raised. Karl’s only criminal history, beyond minor tickets which do not result in criminal history score, consists of two DUI charges, one of which occurred before he was 21.

Knutson grew up in a ranching family and has worked in and around that industry all his life. He has skills in ranch management, mechanics, truck driving, equipment operation, and livestock handling all of which he intends to use to ultimately operate a family ranch property for he and his family. He and his fiancé recently relocated to western North Dakota where they are



living and working on Karl's father-in-law's ranch. Karl is also working a second job in a nearby community.

### ARGUMENT AND AUTHORITIES

Section 3553(a) requires courts to "impose a sentence sufficient, but not greater than necessary, to comply with the purposes set forth in paragraph (2)." (Emphasis added.) Section 3553(a)(2) states that such purposes are: (A) to reflect the seriousness of the offense, to promote respect for the law, and to provide just punishment for the offense; (B) to afford adequate deterrence, (C) to protect the public from further crimes of the defendant; and (D) to provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner. This is the "primary directive" of the sentencing statute. *United States v. Ranum*, 353 F. Supp. 2d 984, 985 (E.D. Wis. 2005).

Section 3553(a) further directs sentencing courts to consider (1) the nature and circumstances of the offense and the history and characteristics of the defendant; (2) the kinds of sentences available; (3) the sentencing range established by the guidelines; (4) any pertinent policy statement issued by the Sentencing Commission; (5) the need to avoid unwarranted sentencing disparities among defendants with similar records who have been found guilty of similar conduct; and (6) the need to provide restitution to any victims of the offense.

In this case, the relevant factors should result in the court providing a sentence of probation and apply in the following manner. First, the nature and circumstances of the offense are detailed in the PSR. Karl made a serious lapse in judgment when he submitted a false claim but later had the good sense to admit to his conduct and withdraw the claim prior to any actual

loss being incurred by the government program. Further, he agrees to repay the costs of investigation necessitated by his actions.

Providing a sentence as requested with structured probation is sufficient to reflect the seriousness of the crime, provide just punishment, afford adequate deterrence, and protect the public. Karl has limited need for rehabilitative programs, current employment and a work history, and a supportive family. He can be punished for his conduct by having probation restrictions imposed upon him and paying a monetary fine, but can at the same time, move forward with establishing a productive life with his family and accomplishing the goals he has set for himself.

Given the Supreme court's decision in *Gall*, the kinds of sentences available to the court are limited by only the statutory maximum. The court is not bound by any statutory minimum sentence. The court has the ability, pursuant to § 3553(a), to provide any sentence the court deems appropriate that combines incarceration, supervision, community correction, treatment, etc. The court must simply reach a reasonable sentence based upon all of the § 3553(a) factors.

Although his advisory guideline range as set forth in the PSR is 12 to 18 months, incarceration would serve no purpose in this case and is not being requested by the government. Knutson is eligible for probation and a sentence of that nature is sufficient but not greater than necessary to provide just punishment. The § 3553(a) factors fall completely in line with a probationary sentence and one below the guideline recommendation. Also, a sentence as requested above would not create any unwarranted sentence disparity in this case as Knutson has

*U.S.A. v. Karl Knutson*

CR 14-50118

Variance Motion and Sentencing Memorandum

February 26, 2016

Page 4

FB0243

minimal criminal history, is a first time felony offender, and caused no financial loss during commission of his offense.

### CONCLUSION

Karl Knutson requests that the court provide him a sentence of **24 months probation** on terms and conditions determined appropriate by the court that include a fine as set forth by the parties in the plea agreement. For all of the reasons set forth herein above, a sentence of that nature is reasonable. Knutson poses a low future risk to the community, is remorseful for his actions, and has history and characteristics about him that indicate he will likely never be engaged in this or other type of serious criminal conduct again. The court can fashion a sentence below the guidelines which would still promote the goals of sentencing, be consistent with the factors set forth in 18 U.S.C. §3553(a), follow the parties' joint recommendation and will result in a sentence "sufficient but not greater than necessary" to achieve the statutory purposes of punishment.

Dated this 26th day of February, 2016.

Respectfully submitted,

NEIL FULTON  
Federal Public Defender

By:



---

Gary G. Colbath, Jr., Assistant Federal Public Defender  
Attorney for Defendant  
Office of the Federal Public Defender  
Districts of South Dakota and North Dakota  
703 Main Street, Second Floor  
Rapid City, SD 57701  
Telephone: 605-343-5110; Facsimile: 605-343-1498  
filinguser\_SDND@fd.org

*U.S.A. v. Karl Knutson*

CR 14-50118

Variance Motion and Sentencing Memorandum

February 26, 2016

Page 6

FB0245

LAW OFFICES

**Lynn, Jackson, Shultz & Lebrun, P.C.**

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**REPLY TO: Rapid City 605-342-2592**

*From the offices of Thomas G. Fritz*

*e-mail address: [tfritz@lynnjackson.com](mailto:tfritz@lynnjackson.com)*

*Sender's Direct Line -- 605-791-6497*

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FAX 605-332-4249

135 E. COLORADO BOULEVARD  
SPEARFISH, SD 57783-2755  
605-722-9000  
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January 5, 2017

**VIA E-MAIL ([dan@abourezk.com](mailto:dan@abourezk.com))**

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

Re: Gregerson v. Farm Bureau  
Our File No. 930033-00071

Dear Dan:

This is to follow up on my letter of December 29, 2016. Again, please give me a call and let us see if we can get this matter resolved.

Sincerely yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.



Thomas G. Fritz

TGF:fjs

LAW OFFICES**Lynn, Jackson, Shultz & Lebrun, P.C.**

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SPEARFISH, SD 57783-2755  
605-722-9000  
FAX 605-722-9001

January 12, 2017

**VIA E-MAIL (dan@abourezk.com) & U.S. MAIL**

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

Re: Gregerson v. Farm Bureau  
Our File No. 930033-00071

Dear Dan:

We have reviewed your demand of January 5, 2017 and the policy itself. We believe that your client, our insured, is entitled to more than you are demanding. It is our review and calculations that bring us to the following:

16 Cows @ \$1,800/head	\$28,800.00
27 Calves @ \$960/head	<u>\$25,920.00</u>
Total ACV	\$54,720.00
Less the Policy deductible:	<u>(\$1,000.00)</u>
Net payable to Gregersons	\$53,720.00

Your demand, as set forth in your letter of January 5, 2017, does not consider the policy allowance for the additional 20% per head and, in our opinion, your deductible was miscalculated. I am assuming you have no objection to the same. Thus, I have taken the liberty of preparing a Receipt of Payment and Release, which I enclose. Please note that I have

Mr. Daniel E. Holloway  
January 12, 2017  
Page 2

attempted to artfully craft the receipt and release to include only this claim under the policy for the loss and theft of the cattle. If it meets with your and your clients' approval, I would appreciate it if you would all sign the same. If we have an agreement, I will order the draft from Farm Bureau payable to Leonard Gregerson, Patty Gregerson and the Abourezk Law Firm, PC, unless otherwise directed.

I look forward to hearing from you.

Sincerely yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.

  
Thomas G. Fritz

TGF:fjs

Enclosure

## ABOUREZK LAW FIRM

Mike Abourezk  
\*\*Alicia D. Garcia  
‡Daniel E. Holloway  
-----  
\*\*Also licensed in California  
‡Also licensed in New York

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TEL (605) 342-0097  
FAX (605) 342-5170

Charles Abourezk  
\*Robin L. Zephier  
-----  
\*Also licensed in Colorado

January 12, 2017

### By US mail and email

Thomas G. Fritz  
Lynn, Jackson, Shultz & Lebrun, PC  
909 St. Joseph Street  
Suite 800  
Rapid City, SD 57709-8250

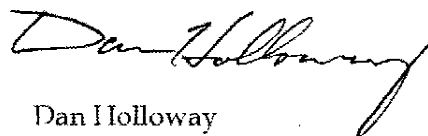
Re: *Leonard and Patty Gregerson, stolen-cattle claim with Farm Bureau*

Dear Tom,

I've received your proposed release for the Gregerson claim. Your draft release includes "any cause of action which the undersigned could present against Farm Bureau arising out of or in any way related to the loss and/or theft of cattle."

Please just have Farm Bureau figure out what they think they owe the Gregersons on the claim, and then pay it unconditionally. If it's owed on the insurance claim, then it's the Gregersons' money. Farm Bureau should pay that without putting any conditions on it or mixing it up with other issues.

Thanks,

  
Dan Holloway



## RECEIPT OF PAYMENT AND RELEASE

This Receipt of Payment and Release is to acknowledge the payment of \$53,720.00 (Fifty-Three Thousand Seven Hundred Twenty Dollars and no/cents) by Farm Bureau Property and Casualty Insurance Company (hereinafter referred to as Farm Bureau) to the undersigned/insured, Larry Gregerson and Patty Gregerson, for themselves, their heirs, personal representatives and assigns, and, further, to acknowledge release of the undersigned/insured's claim (Farm Bureau Claim No. A090314P00) that was made for loss and/or theft of cattle that occurred on or about October 17, 2014.

The undersigned hereby acknowledge that the amount of money referred to above has been received by them and understand that, by accepting the payment of said sum, the undersigned have been fully paid and compensated for the claim and any cause of action which the undersigned could present against Farm Bureau arising out of or in any way related to the loss and/or theft of cattle.

In witness whereof, the undersigned have signed this document this \_\_\_\_ day of January, 2017.

---

Leonard Gregerson  
13765 Lamc Jonny Rd  
Fairburn, SD 57738

---

Patty Gregerson  
13765 Lamc Jonny Rd  
Fairburn, SD 57738

Approved by:

---

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

## ABOUREZK LAW FIRM

Mike Abourezk

\*\*Alicia D. Garcia

‡Daniel E. Holloway

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Charles Abourezk

\*Robin L. Zephier

\*Also licensed in Colorado

January 5, 2017

### By US mail and email

Thomas G. Fritz

Lynn, Jackson, Shultz & Lebrun, PC

909 St. Joseph Street

Suite 800

Rapid City, SD 57709-8250

Re: *Leonard and Patty Gregerson, stolen-cattle claim with Farm Bureau*

Dear Tom,

I received your letter dated December 29, 2016. I'm sorry for my delay in getting back to you. I've been sick for the last week.

As you'll have seen from Leonard and Patty's letter dated May 3, 2016, they lost 16 cows and at least 27 calves to theft in October 2014.

According to the declarations pages the Gregersons have given me, in October 2014, the Gregersons' coverage limits were only \$1,500 per cow and \$800 per calf. And they had a 10% deductible.

Please check with Farm Bureau to see if other limits were in effect in October 2014. I know Leonard and Patty increased their coverage in February 22, 2015. I have them double-checking to make sure they've given me all the declarations pages. Of course I do not mean to waive any payments the Gregersons have coming to them.


Based on the information Leonard and Patty have given me, I calculate the claim amount as follows.

Tom Fritz, Esq. ♦ Re: Gregerson claim ♦ January 5, 2017  
Page 2 of 2

16 cows x \$1,500 per cow	\$24,000
+ 27 calves x \$800 per calf	+ \$21,600
= Total insured loss	= \$45,600
– 10% deductible	– \$4,560
= Claim amount owed to Gregersons	= \$41,040

Please send me a check made out to the Abourezk Law Firm trust account for \$41,040 – unless the coverage limits were amended by October 2014 to provide higher coverage.

Thanks,

  
Dan Holloway

**FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY***THIS CHECK IS FOR:**P & C CLAIMS - ALL LINES**INSURED* LEONARD GREGERSON*CLAIMANT* LEONARD GREGERSON*ADJ:* Jim Defea

LEONARD GREGERSON  
 13765 LAME JONNY RD  
 FAIRBURN SD 57738

POLICY # 0000000007936007  
 DATE OF LOS 10/17/2014  
 CLAIM # A090314P00  
 CHECK NUMBER 0101330227  
 CHECK DATE 01/13/2017  
 CHECK AMT \$27,800.00

Line Number	Unit at Risk	Coverage	Narrative	Amount
A090314P01	cow/heifers	FPPS	16 cows @ \$1800/head	\$28,800.00
A090314P01	cow/heifers	FPPS	Deductible	\$1,000.00

POLICY 07936007 D/L 10/17/2014 CLAIM A090314P00  
 INSURED LEONARD GREGERSON CLAIMANT LEONARD GREGERSON  
 ADJ: Jim Defea

LEONARD GREGERSON

FB0255

**FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY***THIS CHECK IS FOR:**P & C CLAIMS - ALL LINES**INSURED* LEONARD GREGERSON*CLAIMANT* LEONARD GREGERSON*ADJ:* Jim Defea

LEONARD GREGERSON  
 13765 LAME JONNY RD  
 FAIRBURN SD 57738

POLICY # 0000000007936007  
 DATE OF LOS 10/17/2014  
 CLAIM # A090314P00  
 CHECK NUMBER 0101330241  
 CHECK DATE 01/13/2017  
 CHECK AMT \$25,920.00

Line Number	Unit at Risk	Coverage	Narrative	Amount
A090314P02	calves	FPPS	27 calves @ \$960/head	\$25,920.00

POLICY 07936007 D/L 10/17/2014 CLAIM A090314P00  
 INSURED LEONARD GREGERSON CLAIMANT LEONARD GREGERSON  
 ADJ: Jim Defea  
 ACV - Actual Cash Value

LEONARD GREGERSON

## ABOUREZK LAW FIRM

Mike Abourezk  
\*\*Alicia D. Garcia  
‡Daniel E. Holloway  

---

\*\*Also licensed in California  
‡Also licensed in New York

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FAX (605) 342-5170

Charles Abourezk  
\*Robin L. Zephier  

---

\*Also licensed in Colorado

January 17, 2017

### By US mail and email

Thomas G. Fritz  
Lynn, Jackson, Shultz & Lebrun, PC  
909 St. Joseph Street  
Suite 800  
Rapid City, SD 57709-8250

Re: *Leonard and Patty Gregerson, stolen-cattle claim with Farm Bureau*

Tom,

I just received the letter and claim-payment checks you sent over today by hand delivery.  
Thank you for that.

Your prior letter certainly did not annoy or antagonize me. I'm sorry if I gave the impression that it did. Please rest easy on that score.

To explain my prior letter: I objected to asking the Gregersons to waive any claim against *Farm Bureau* because they shouldn't have to make concessions to get paid what Farm Bureau already owed them. The Gregersons and I certainly want to protect Farm Bureau's ability to recover money from the cattle thief. But that doesn't require the Gregersons to waive claims against Farm Bureau.

I agree with you that this was a contested claim, in the sense that Farm Bureau denied it. (I do not think they had a reasonable basis for denying it.) But no issue of calculating damages arose until very recently, since Farm Bureau denied the claim outright.

But all that's just commentary. My real reason for writing is to make sure that Farm Bureau has not overpaid the claim.

Tom Fritz, Esq. ♦ Re: Gregerson claim ♦ January 17, 2017  
Page 2 of 2

Here's the information I have, from a declarations page dated 5/15/2014, covering the period 5/16/2014 to 5/16/2015:

<b>Scheduled Farm/Ranch Personal Property</b>		
2 Horses/Ponies - Kyles horses	\$10,000	\$1,000
Actual Cash Value		
Special		
Unit Value \$5,000		
Livestock Freezing or Smothering	\$10,000	Larger of 10% of Loss or \$1,000
10 Stock, Bulls - bulls	\$65,000	\$1,000
Actual Cash Value		
Special		
Unit Value \$6,500		
Livestock Freezing or Smothering	\$65,000	Larger of 10% of Loss or \$1,000
175 Stock, Calves/Steers - calves	\$140,000	\$1,000
Actual Cash Value		
Special		
Unit Value \$800		
Livestock Freezing or Smothering	\$140,000	Larger of 10% of Loss or \$1,000
175 Stock, Cows/Heifers - cow/heifers	\$262,500	\$1,000
Actual Cash Value		
Special		
Unit Value \$1,500		
Livestock Freezing or Smothering	\$262,500	Larger of 10% of Loss or \$1,000

This provides lower "unit values" than you mentioned in your letter. And this declarations page has a deductible for calves, which your letter does not include.

(Incidentally, I see now that I've been misreading the "10% of loss" deductible: I read that as applying to any cattle loss. But looking at this again, I see it applies only to losses from freezing or smothering. So based on this declarations page, the Gregersons' claim amount is \$43,600 rather than \$41,040 as I said earlier.)

If the Gregersons amended their coverage, so that the declarations page they gave me does not apply, please send me the correct declarations page. But if these checks do overshoot the claim amount, please send corrected checks, and I'll give these back to you. The Gregersons aren't asking Farm Bureau to overpay their insurance claim.

I'll hold these checks for seven days, to give you time to double-check.

Thanks,

  
Dan Holloway

LAW OFFICES

**Lynn, Jackson, Shultz & Lebrun, P.C.**

LAWYERS ALSO ADMITTED IN MINNESOTA, IOWA, NORTH DAKOTA AND WYOMING

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605-722-9000  
FAX 605-722-9001

January 23, 2017

**VIA E-MAIL (dan@abourezk.com) & U.S. MAIL**

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

Re: Gregerson v. Farm Bureau  
Our File No. 930033-00071

Dear Dan:

I have yours of January 17, 2017. We have again reviewed your request and we stand by our offer set forth in my letter of the same date. We appreciate your concern, but we do believe we have calculated the alleged loss pursuant to the policy. Your client may cash the checks.

If there is anything further you need from me, please advise.

Sincerely yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.



Thomas G. Fritz

TGF:fjs



LAW OFFICES

**Lynn, Jackson, Shultz & Lebrun, P.C.**

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January 23, 2017

**VIA E-MAIL ([dan@abourezk.com](mailto:dan@abourezk.com)) & U.S. MAIL**

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

Re: Gregerson v. Farm Bureau  
Our File No. 930033-00071

Dear Dan:

I have yours of January 17, 2017. We have again reviewed your request and we stand by our offer set forth in my letter of the same date. We appreciate your concern, but we do believe we have calculated the alleged loss pursuant to the policy. Your client may cash the checks.

If there is anything further you need from me, please advise.

Sincerely yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.



Thomas G. Fritz

TGF:fjs

*From the offices of Thomas G. Fritz*  
*e-mail address: tfritz@lynnjackson.com*  
*Sender's Direct Line -- 605-791-6497*

January 23, 2017

**BY HAND DELIVERY**

Mr. Daniel E. Holloway  
Abourezk Law Firm, PC  
2020 W. Omaha Street  
PO Box 9460  
Rapid City, SD 57709-9460

Re: Gregerson v. Farm Bureau  
Our File No. 930033-00071

Dear Dan:

I have yours of January 12, 2017. The purpose of my letter was not to annoy or antagonize either you or your client. The purpose of my letter was twofold.

First, Farm Bureau has a potential subrogation claim against the alleged thief of the cattle and we are most interested in verifying that claim, confirming it and, hopefully, working with your client (our insured) if the prosecution of that claim becomes a reality.

Secondly, as is apparent from the correspondence on this matter, not only was this a contested claim, but there was uncertainty as to the calculation of the damages. Thus, it was my intent to confirm an understanding with you as to the amount of the claim and the amount of the check to pay the claim.

We will proceed as you have directed and pay the claim as we have calculated.

Mr. Daniel E. Holloway  
January 23, 2017  
Page 2

I herewith hand deliver to you Farm Bureau's checks, made payable as follows:

Leonard Gregerson, Check No. 0101330227 in the amount of \$27,800 for 16 cows  
@ \$1,800 head less \$1,000 deductible; and

Leonard Gregerson, Check No. 0101330241 in the amount of \$25,920 for 27  
calves @ \$960 head.

Sincerely,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.

Thomas G. Fritz

TGF:fjs

Enclosures

Mr. Daniel E. Holloway  
January 23, 2017  
Page 3

bcc: James DeFea (Claim No. A090314P00)

## ABOUREZK LAW FIRM

Mike Abourezk  
\*\*Alicia D. Garcia  
‡Daniel E. Holloway  
-----  
\*\*Also licensed in California  
‡Also licensed in New York

PO BOX 9460  
  
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(2020 W. OMAHA ST.)  
TEL (605) 342-0097  
FAX (605) 342-5170

Charles Abourezk  
\*Robin L. Zephier  
-----  
\*Also licensed in Colorado

January 24, 2017

### By US mail and email

Thomas G. Fritz  
Lynn, Jackson, Shultz & Lebrun, PC  
909 St. Joseph Street  
Suite 800  
Rapid City, SD 57709-8250

Re: Leonard and Patty Gregerson, stolen-cattle claim with Farm Bureau

Tom,

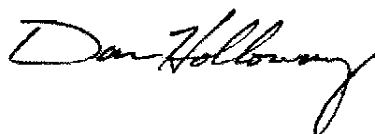
Thanks for sending the declarations pages. I finally understand how you're calculating the amount owed. I'm a little embarrassed that I missed the provision for paying 120% of the unit value for livestock. I've never dealt with livestock coverage before, but I won't make that mistake again. I'm doubly embarrassed, though, because I see that your January 12 letter referred to "the additional 20% per head." I guess I focused so much on the release you included with that letter, that this reference didn't sink in. Anyhow, I appreciate your correcting me.

I gather you're treating the cows and calves as a single category of loss, with a single deductible. As long as you've looked at that and considered it, of course I'm fine with that.

I suppose it seems odd that I put up a fight to get you to take money back. It felt a little odd to me, too. But I don't like it when people take advantage of others' mistakes. As long as I didn't understand your calculations, I felt I had to press the issue.

In any case, thanks again.

Yours,



FB0269



## Final Casualty E-Report

**Date of Current E-Report:** February 22, 2017  
**Current E-Report Prepared By:** Jim DeFea  
**Date of Initial E-Report:** October 20, 2016  
**Initial E-Report Prepared By:** Jim DeFea  
**Business Center:** SDBU  
**BCCC:** Drew Van Woert  
**CCC:** Charles Petrik

**Any other Farm Bureau Policies with Potential Coverage for this Claim:** No  
**Primary Excess**  
**If Yes, Give Policy Type, Policy Number, Claim Number, Adjuster, and BCCC:**

.....

### POLICY INFORMATION

**Policy #:** 7936007  
**Claims #:** A090314P00  
**Date of Loss:** 10/17/14  
**Time of Loss:** PM  
**Date Loss Reported to FBL:** 11/21/14  
**Effective Policy Dates:** 5/16/14 to 5/16/15  
**Agent:** Pam Green  
  
**Named Insured:** Leonard Gregerson  
**Coverage:** OTHER  
**Coverage Limit:** \$140,000.00  
**Umbrella:** No  
**Umbrella Coverage Limit:**

**Explain Any Coverage Issues/Additional Coverages/Duplicate Coverages: Livestock scheduled under blanket coverage. Insured turned over for custom feeding and contracted feeder converted portions of herd to his own use.**

Livestock is covered for special perils limited to named 1-10, 30 & 31. On P-3 this livestock is shown listed as covered by class, it is in effect "scheduled". Therefore it is subject to conditions in both the general sections and the property sections as shown below.

#### Special Causes Of Loss

When the Declarations indicate that Farm/Ranch Personal Property is insured for Special Causes of Loss, the following additional provisions apply.

#### Livestock

If insured under this module, we cover "livestock" only for losses "caused by" the Named Causes of Loss numbers 1 through 10, 30 and 31.

**Additional Causes Of Loss**

**31. Loss to Livestock.** We cover direct physical loss to covered "livestock" "caused by":

- a. Accidental Shooting. We do not cover under this cause of loss shootings by any "insured" or your employees or tenants;
- b. Attack by Dogs or Wild Animals. We do not cover loss caused directly or indirectly by fright or by dogs owned by any "insured";
- c. Collapse, meaning collapse of buildings, bridges or culverts;
- d. Drowning, from external causes, including flood, except for "livestock" under 15 days old;
- e. Electrocution; or
- f. Loading or Unloading accidents resulting in their death and occurring while they are being loaded or unloaded from vehicles other than contract carriers.

**Named Causes Of Loss Index****10. Theft**

There is no coverage for:

- g. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance or where the only evidence of loss is a shortage disclosed upon taking inventory.

**Scheduled Personal Property Module**

There is no coverage for loss to "livestock" "arising out of":

- A. Fright, or as the direct or indirect result of fright, however caused;
- B. "Suffocation" or "smothering"; or
- C. Escape, wrongful conversion, or embezzlement.

Livestock/Poultry							
Type	Item Type	Item Description	%Own	Qty	Unit Value	ACV	*Fre
Scheduled	Horses/Ponies	Kyles horses	100	2	5,000	10,000	YES
Scheduled	Stock, Bulls	bulls	100	10	6,500	65,000	YES
Scheduled	Stock, Calves/Ste...	calves	100	175	800	140,000	YES
Scheduled	Stock, Cows/Heifers	cow/heifers	100	175	1,500	262,500	YES
Scheduled	Stock, Cows/Heifers	Kyles cows/heifers	100	180	1,500	270,000	YES
Scheduled	Stock, Calves/Ste...	Kyles calves	100	180	800	144,000	YES
Scheduled	Stock, Bulls	kyles bulls	100	6	6,500	39,000	YES

.....

**WATCH LIST AND OTHER REPORTING**

**WATCH LIST / REINSURANCE / ERRORS & OMISSIONS (E&O) / REFORMATION**

**Watch List Notified:** Yes **Date Notified:** 10/21/16  
**Watch List Qualifying Criteria:**  
**Watch List Code:** **Date Last Updated:**  
**Watch List Closed:** **Date Closed:**  
**CCC Notified:** **Date Notified:**  
**Reinsurance Notified:** No **Date Notified:**  
**Reinsurance Claim #:**  
**Retention Amount:**  
**Recovery Amount:** **Recovery Date:**  
**Reinsurance Closed:** **Date Closed:**  
**E&O Committee:** No **Claim #:**  
**Committee Decision:**  
**Reformation Committee:** No **If "Yes", Date:**  
**Reformation Decision:**

**BAD FAITH (BF) / EXTRA CONTRACTUAL OBLIGATIONS (ECO)**

**BF / EC Alleged:** No **If "Yes", Date:**  
**Who Alleged, How Communicated, and Allegations Made:**  
**ICPL Carrier:**  
**Carrier Notified:** **If "Yes", Date:**  
**Notified by:**  
**ICPL Updates:**

**LOSS DESCRIPTION**

**Location of Loss:** Meade County SD  
**Detailed Loss Description:** Insured contracted with custom feeder to finish cattle. Insured delivered portions of herd to custome feeder who then converted a portion of that herd for his own use. Conversion of herd took place over a several month timespan and the custom feed llot was located a hundred miles from insured premises.  
**Names of all Potential Insureds under Farm Bureau policies who have Potential Liability Exposures:** **Relationship to Named Insured:**  
**Aggravating Issues:** No **BAC:**  
**Police Photos Available:** **If "Yes", Have They Been Obtained:**  
**Citation(s) Issued To:** **For:**  
**Disposition of Citation:**  
**Scene Photos Obtained:**  
**Statements Obtained from all Parties including Witnesses Identified in Police Report:**

Yes (Insured)



**Non-Waiver Agreement:** Yes      **If “Yes”, Date Signed:** 11/24/14  
**Reservation of Rights:**      **If “Yes”, Date Sent:**

**Other Party Responsible:**      **If “Yes”: Name**  
   **Insurance Company**  
   **Coverage Limit:**  
**SIU Notified:** Yes      **Asset Check Completed:**  
   **Reason:**

**Liability Analysis of all Involved Parties:** Coverage determination

.....

### INJURED PARTY INFORMATION

**Line Number:** 01  
**Name of Injured Party:** Leonard Gregerson  
**Address:** 13765 Lane Johnny Rd,  
Fairburn SD 57738  
**Occupation:** Rancher  
**Marital Status:** Married  
**Spouse Name:** Patty

### INJURY BREAKDOWN

**FRPP Claimed:** \$85,439.00  
**FRPP Documented:** Yes

**Paid Amounts:** \$0.00  
**Total Specials:** \$85,439.00

**Additional Comments:** Lost livestock: The insured feels the value of the cows are \$2850 each and they weighed 1450 lbs. each 15 @ \$2850 is \$42,750

The insured lost 27 calves and the just sold calves at \$1587 each. The calves weigh 570lbs on average. 27 calves @ \$1587 is \$42,849.

Total claimed is \$85,439.00

### PLAINTIFF ATTORNEY IDENTIFICATION

**Attorney Name:** Dan Holloway  
**Firm:** Abourezek Law Firm  
**Address:** PO Box 9460, Rapid City SD 57709  
**Phone #:** 605-342-0097



.....

## RESERVES/EXPENSE/STRATEGY

### RESERVE HISTORY

**Claimant:** Leonard Gregerson

**Initial Reserve (Numerical only):** \$t.00

<u>Current Reserve:</u>	<u>Date Changed:</u>	<u>Reason for Change:</u>
\$500.00	10/1/16	reopened

Authority Needed?

Who?

**Reserve Deviation Required:** No **Date Notified:**

### NEGOTIATIONS

**Claim Value Range:**

to

**Authority Requested:**

**Authority Granted:**

**by:**

Demand:

Date:

Offer:

Date:

**Personal Liability Exposure Letter Needed (Include All Insureds):** No Yes/No  
**Date Notified:**

**Settlement Amount:**

\$53,720.00

**Structures Presented:**

### ALTERNATIVE DISPUTE RESOLUTION (ADR)

**ADR Attempted:** No **Date:**

**Pre-Suit ADR:**

**Mediator:**

**Demand Going In:**

**Offer Going In:**

**ADR Result:**

**If Settled, Amount:**

**ADR Expense:**

**Total LAE Including Attorney Fees:**

**LAE Avoided:**

**ADR Comments:**

## LITIGATION HISTORY

**Claim System Coded to Litigated:** N/A      **Date:**  
**Case Name:** v.  
**Cause for Suit:** (Liab, Dmgs, SOL, etc.)  
**LSS Matter #:**  
**Date Suit Filed:**  
**Date of Service:**  
**Answer Date:**  
**Court Venue:**  
**Close of Discovery Motion Date:**  
**Dispositive Motion Date:**  
**Pre-Trial Date:**  
**Trial Date:**  
**Damages Pled:**  
**Resolution:** Amount:  
**Date Suit Closed:**

**Defense Attorney:**  
**Firm:**  
**Address:**  
**Phone #:**

**TOTAL LAE INCURRED TO DATE:** \$0.00  
**ESTIMATED FUTURE LAE:** \$0.00

**TOTAL INDEMNITY INCURRED TO DATE AND TYPE:**  
\$0.00

## UPDATES:

10-21-16:

See attached correspondence and claim file. Insured attorey requested written response to position on coverage.

2/22/17

Claim has concluded with settlement reached with insured and his attorney in the amount of \$53720.00

Paid final legal billing to Lynn Jackson, closed file.

Closing LSS as well.

**\*\*ATTACH ANY PHOTOS UNDER SEPARATE FILE\*\***



Farm Bureau Life Insurance Company\*\*  
Western Agricultural Insurance Company\*\*  
Farm Bureau Property & Casualty Insurance Company\*\*

February 27 2017

US Attorney Benjamin Patterson  
Via fax: 605-342-1108

RE: Our Insured: Leonard Gregerson  
Our Claim #: A090314P00  
Our Policy #: 7936007  
Date of Loss: 10/17/2014  
Defendant: Karl Knutson  
Your Case #: 5:15CR50064-1

Dear Mr. Patterson:

Farm Bureau Property & Casualty Insurance Company affords coverage for Leonard Gregerson , who reported theft of livestock on 10/17/2014.

Settlement has been made with the above-referenced insured. Mr. Gregerson sustained a \$1,000 deductible loss and Farm Bureau Property & Casualty Insurance Company paid \$53,720 under Mr. Gregerson's personal property insurance coverage. Please see enclosed proofs of loss and payment.

Farm Bureau Property & Casualty Insurance Company has a subrogation interest in any recovery or restitution ordered. Any information regarding the return, or recovery of said property should be made to this office. If any suspects are arrested and prosecuted, please provide this information to the prosecuting attorney as we request these damages to be included in any restitution order.

We thank you for your cooperation.

Sincerely,

Micah Chaplin  
Farm Bureau Financial Services  
Farm Bureau Property & Casualty Insurance Company  
Western Agricultural Insurance Company  
5400 University, West Des Moines, IA 50266  
Ph: 515-226-6440 | Fax: 515-226-6311  
Email: [micah.chaplin@fbfs.com](mailto:micah.chaplin@fbfs.com)

Enclosures

	Financial Type	Group Status	Issue Date	Check#	Payee	Total Amount		
▼	<u>Payment</u>	Posted	01/13/2017	0101330227	GREGERSON, LEONARD	27,800.00 USD	►	
	Financial Category	Claimant / Line	Service / Benefit Type	Service/Benefit Group	Service Start Date	Service End Date	Active	Amount
	Loss Payment	LEONARD GREGERSON / Scheduled Farm Prsnl Property - (Per Occurrence) - 01 - 13765 LAME JOHNNY RD - cow/heifers	ACV - Actual Cash Value				Yes	28,800.00 USD
	Loss Payment	LEONARD GREGERSON / Scheduled Farm Prsnl Property - (Per Occurrence) - 01 - 13765 LAME JOHNNY RD - cow/heifers	Deductible	Deductibles			Yes	-1,000.00 USD
▼	<u>Payment</u>	Posted	02/22/2017	0101347886	Lynn, Jackson, Shultz & LeBrun	5,716.39 USD	►	
	Financial Category	Claimant / Line	Service / Benefit Type	Service/Benefit Group	Service Start Date	Service End Date	Active	Amount
	Expense Payment	LEONARD GREGERSON / Scheduled Farm Prsnl Property - (Per Occurrence) - 01 - 13765 LAME JOHNNY RD - cow/heifers	I & A - Attorney Fees - Defendant				Yes	5,716.39 USD
▼	<u>Payment</u>	Posted	01/13/2017	0101330241	GREGERSON, LEONARD	25,920.00 USD	►	
	Financial Category	Claimant / Line	Service / Benefit Type	Service/Benefit Group	Service Start Date	Service End Date	Active	Amount
	Loss Payment	LEONARD GREGERSON / Scheduled Farm Prsnl Property - (Per Occurrence) - 02 - 13765 LAME JOHNNY RD - calves	ACV - Actual Cash Value				Yes	25,920.00 USD

- ☒ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
☒ Print your name and address on the reverse so that we can return the card to you.  
☒ Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Leonard & Patty Gregerson  
13765 Lane Jonny Rd  
Fairburn SD 57738

## A. Signature

X

- ☐ Agent  
☐ Addressee

## B. Received by (Printed Name)

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

## 3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ Collect on Delivery

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## 2. Article Number

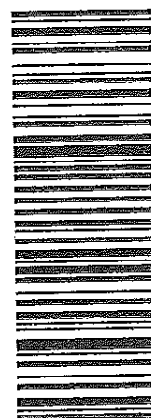
(Transfer from service label)

7012 3460 0002 1445 1493

PS Form 3811, July 2013

Domestic Return Receipt

7012 3460 0002 1445 1493



2225 DAKOTA AVENUE SOUTH  
P.O. BOX 1397  
HURON, SOUTH DAKOTA 57350-1397

7012 3460 0002 1445 1493

RETURN REQUESTED

PS Form 3800, August 2006

See Reverse for Instructions

Sort to Leonard & Patty Gregerson  
 Street, Apt. No.,  
 or PO Box No. 13765 Lane Jonny Rd  
 City, State, ZIP+4 Fairburn SD 57738

Postage	\$ 2.66
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	2.70
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 8.66

A090314P00

OFFICIAL USE

For delivery information visit our website at www.usps.com

U.S. Postal Service™  
 CERTIFIED MAIL™ RECEIPT  
 (Domestic Mail Only; No Insurance Coverage Provided)



ZIP 57350  
 011D1644642

03/24/2015  
 US POSTAGE

\$08.66

FB0285

Master

FIRST-CLASS MAIL

Leonard and Patty Gregerson  
 13765 Lane Jonny Rd  
 Fairburn SD 57738



**Certified Mail - Return Receipt Requested  
DISCLAIMER OF COVERAGE**

February 17, 2015

Leonard and Patty Gregerson  
13765 Lame Jonny Rd  
Fairburn SD 57738

RE:   Named Insured:       Leonard and Patty Gregerson  
      Policy Number:       7936007  
      Claim Number:       A090314P00  
      Date of Loss:         10-17-14

Dear Mr. and Mrs Gregerson,

We received notification of a claim as a result of an incident which occurred on 17th day of October, 2014, in Meade County SD.

You were issued a policy of liability insurance policy, 7936007 by the Farm Bureau Property & Casualty Insurance Company of West Des Moines, Iowa, for the period of May 16, 2014 to May 16, 2015, and the above claim has been submitted to us for coverages under this policy. Your policy has scheduled coverage for livestock in the amount of \$1,812,100.00. This property is listed under the blanket coverage as scheduled by class.

Based upon the information you have given, and our supplemental investigation, this letter is to advise you that we hereby deny and disclaim coverage and contend that our policy does not apply to the circumstances of this incident.

The facts, as confirmed to date, indicate that you had turned your livestock over to a custom feeder and then notified us of a significant shortage upon the taking of an inventory on the date of the loss indicated above.

The Company also takes this opportunity to set forth its coverage position under the policy provisions. While the Company has attempted to be as accurate as possible in reproducing policy language, any typographical errors or differences are not intended to alter the intent of this letter or the terms of coverage provided



Page 2 of 8  
February 17, 2015  
Leonard and Patty Gregerson

Your policy with us contains the following provisions:

*General Section*

*Insuring Agreement (PKSD.SGENL.1214)*

*In return for payment of the premium and subject to all the terms and conditions of the policy, we agree to provide the insurance described in this policy and summarized in the Declarations pages.*

*Definitions*

*Definitions Common to Entire Policy*

*Throughout your policy certain words or phrases are given exact meanings. The definition of we, us and our as well as the definition for you and your are given below.*

*Other words or phrases that are given exact meanings in the policy are shown with quotation marks whenever they are used. Each section of this policy has a glossary of these definitions, and additional definitions specific to a coverage may be provided at the module level. The following words and phrases are common to the entire policy*

*"Occurrence"*

*An accident, including continuous or repeated exposure to substantially the same general harmful conditions*

*"Property Damage"*

*Physical injury to or destruction of tangible property, including its loss of use. All such loss of use shall be considered to start at the time of the "occurrence" that caused the "property damage".*

*Reservation of Rights*

*No act in connection with the investigation of any loss or claim by our employees or representatives shall be considered a waiver of any defense which we might otherwise have with respect to any loss or claim. All such acts of investigation shall be considered to have been made without compromising the coverages as described in the policy. The act of investigation, by itself, is not intended to convey that coverage exists. As the facts become known, the policy language will determine if coverage exists or not for the loss, and all provisions under the policy are specifically reserved during our investigation.*

\*\*\*\*\*

*The below section will address the property section of the policy.*

*Property Section (PKSD.SPROP.0508)*

Page 3 of 8  
February 17, 2015  
Leonard and Patty Gregerson

*This section, combined with the General Section and property modules, provides the property coverages you selected, as identified in the Declarations.*

*For each type of property you own or rent, you need specific property insurance protection. Dwellings, buildings, and other property are identified in the declarations. Personal property is insured on an unscheduled (blanket) basis, except for items you have chosen to schedule individually*

#### *Introduction*

*Your property coverages are determined by combining the terms and provisions of the General Section and Property Section with one or more of the following property modules:*

*F. Farm/Ranch Personal Property Module for farmers/ranchers, providing blanket coverage and/or scheduled coverage for personal property used in the "farm/ranch" operation.*

#### *Covered Causes Of Loss*

*The scheduled Personal Property Module includes a separate Cause of Loss Index applicable only to that module.*

*For the other modules (Dwelling; Mobile Home; Household Personal Property; Condo; Garages, Outbuildings and Other Structures; and Farm/Ranch Personal Property), the Declarations indicate whether property is insured for Named Causes of Loss or Special Causes of Loss.*

*Under your policy special perils for livestock will apply. Those perils, indicated in the policy are, "named 1-10, plus 30 and 31". These perils are shown below as:*

#### *Special Causes of Loss*

*When the Declarations indicate coverage for Special Causes of Loss, coverage is provided for accidental direct physical loss except as excluded*

#### *Named Causes Of Loss Index*

*A. When the Declarations indicate coverage for Named Causes of Loss, we insure your property as described in the Declarations for sudden and accidental direct physical loss "caused by" the Named Causes of Loss indicated by number in the Declarations. The Named Causes of Loss are shown below. The coverage provided is subject to the General Section Exclusions, the Additional Exclusions in this Property Section, and any applicable property module exclusions.*

#### *Named Causes of Loss*

*When the Declarations indicate coverage for Named Causes of Loss, coverage is provided for only the causes of loss identified by number in the Declarations. Refer to the Named Causes of Loss Index in this section.*

Page 4 of 8  
February 17, 2015  
Leonard and Patty Gregerson

1. *Fire or Lightning*
2. *Explosion*
3. *Windstorm or Hail*
4. *Riot or Civil Commotion*
5. *Aircraft*
6. *Vehicles*
7. *Smoke*
8. *Volcanic Eruption*
9. *Vandalism or Malicious Mischief*
10. *Theft*

*We cover direct physical loss to or of covered property "caused by" theft or attempted theft. There is no coverage for:*

*g. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance or where the only evidence of loss is a shortage disclosed upon taking inventory.*

#### *Market Losses*

*There is no coverage for loss to household personal property, "farm/ranch" personal property or "business" personal property "arising out of" delay, loss of use or loss of market.*

\*\*\*\*\*

#### *Farm/Ranch Personal Property Module (PKSD.MFRPP.0508)*

*This module is part of the Property Section.*

*The provisions in this module, combined with the provisions in the General Section and Property Section provide the farm/ranch personal property coverages you selected.*

#### *Farm/Ranch Personal Property Coverages*

*You have the following coverages only if they are indicated in the Declarations.*

*We cover "farm/ranch" personal property used in the operation of your "farm/ranch" for the causes of loss indicated in the Declarations under Blanket Farm/Ranch Personal Property Coverage or Scheduled*

#### *Farm/Ranch Personal Property Coverage.*

*Farm/Ranch Personal Property Coverages apply when the covered property is on or temporarily away from the "insured premises."*

#### *Named Causes Of Loss*

Page 5 of 8  
February 17, 2015  
Leonard and Patty Gregerson

*When identified by number in the Declarations, the following causes of loss apply to property covered under this module in addition to the Named Causes of Loss in the Property Section.*

*30. Collision*

*We cover accidental direct physical loss to covered "farm/ranch" personal property "caused by" collision with another object or by upset.*

*There is no coverage for:*

*f. Loss to "livestock" "arising out of" collision involving any vehicle owned or operated by any "insured," employee or resident of the "insured premises." We do cover loss to "livestock" "caused by" upset or collision of such vehicles when transporting your "livestock."*

*31. Loss to Livestock. We cover direct physical loss to covered "livestock" "caused by":*

*a. Accidental Shooting. We do not cover under this cause of loss shootings by any "insured" or your employees or tenants;*

*b. Attack by Dogs or Wild Animals. We do not cover loss caused directly or indirectly by fright or by dogs owned by any "insured";*

*c. Collapse, meaning collapse of buildings, bridges or culverts;*

*d. Drowning, from external causes, including flood, except for "livestock" under 15 days old;*

*e. Electrocutation; or*

*f. Loading or Unloading accidents resulting in their death and occurring while they are being loaded or unloaded from vehicles other than contract carriers.*

*Special Causes Of Loss*

*When the Declarations indicate that Farm/Ranch Personal Property is insured for Special Causes of Loss, the following additional provisions apply.*

*Livestock*

*If insured under this module, we cover "livestock" only for losses "caused by" the Named Causes of Loss numbers 1 through 10, 30 and 31.(Shown above)*

\*\*\*\*\*

*Scheduled Personal Property Module (PKSD.MSCHP.0508)*

*This module is part of the Property Section. The provisions in this module, combined with the provisions in the General Section and Property Section provide the Scheduled Personal Property Coverages you selected.*

*Scheduled Personal Property Coverage*

Page 6 of 8  
February 17, 2015  
Leonard and Patty Gregerson

*You have the following coverage only for the personal property indicated in the Declarations.*

*We cover property owned by, rented or leased to you and described individually or by class in the Declarations under Scheduled Personal Property for the causes of loss indicated in the Causes of Loss Index in this module.*

*We also cover property of customers of your "business" if Business Customers' Property Coverage is indicated in the Declarations.*

*Coverage applies anywhere in the world, except as limited for Business Customers' Property Coverage.*

*If the description of the item(s) insured is not complete in the Declarations, reference will be made to a separate form that provides the complete description.*

*Causes Of Loss Index Scheduled Personal Property Module*

*We insure your property, other than animals, covered under this module, as indicated in the Declarations, for accidental direct physical loss except as excluded under the exceptions and limitations outlined below.*

*We insure animals covered under this module as indicated in the Declarations for the causes of loss indicated under Causes of Loss Applicable to Animals.*

*The coverage provided is subject to the General Section Exclusions and the Additional Exclusions in the Property Section.*

*Causes Of Loss Applicable To Animals*

*The causes of loss applicable to animals do not apply to animals insured under the Livestock Transportation and Farm Goods Transportation classes of property.*

*We cover animals insured under this module for accidental direct physical loss "caused by" Named Causes of Loss 1 through 10.*

*We also cover "livestock," elk, deer and ostriches insured under this module for accidental direct physical loss "caused by":*

*A. Collision With Another Object. We do not cover loss "arising out of collision involving any vehicle owned or operated by any "insured," employee or resident of the "insured premises." We do cover loss "caused by" upset or collision of such vehicles when transporting your animals.*

*B. Accidental Shooting. We do not cover shootings by any "insured" or your employees or tenants.*

*C. Attack by Dogs or Wild Animals. We do not cover loss caused directly or indirectly by fright or by dogs owned by any "insured."*

*D. "Collapse" Of Buildings, Bridges Or Culverts*

Page 7 of 8  
February 17, 2015  
Leonard and Patty Gregerson

*E. Drowning From External Causes, Including Flood*

*F. Electrocution*

*G. Loading or Unloading accidents resulting in the animal's death and occurring while it is being loaded or unloaded from a vehicle.*

*Additional Exclusions Applicable To Animals*

*A. There is no coverage for loss to animals "arising out of":*

*5. Infidelity of your employees or other "persons" to whom your animals are entrusted;*  
*6. Escape, mysterious disappearance, wrongful conversion, or embezzlement; or*  
*7. Participation in any organized or sanctioned racing, pulling, pushing, rodeo or stunting activities.*

*B. There is no coverage where the only evidence of loss is a shortage disclosed upon taking inventory.*

As indicated previously herein and now specifically again, no coverage is available to you from the Policy for claims, or damages associated with those claims, which have been previously addressed herein and identified as not being afforded coverage by the Policy. Coverage is further rejected for any and all claims, allegations or damages otherwise precluded from coverage because they do not meet the Policy's terms, definitions, conditions or limitations or which are specifically excluded by the coverage forms or endorsements. The Company will not indemnify you for such claims, allegations or damages.

The Company, by naming the specific grounds for this disclaimer of coverage, does not waive any of its right or any of the other provisions or conditions of the above cited policy of insurance, and specifically reserves all of its rights and remedies under the policy and under the statutes and common law.

Presently, we can take no further action. If additional information or evidence becomes available to you, NOTIFY US IMMEDIATELY. Upon such notification we will review the matter once again to determine whether there will be any change in the above-stated position regarding coverage under your policy for the claim(s) being made against you.

Respectfully submitted,

---

James M. DeFea, CPCU, AIC, AIS  
SD Business Center Claims Consultant

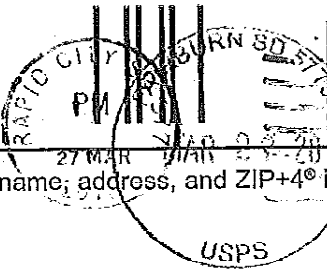
Page 8 of 8  
February 17, 2015  
Leonard and Patty Gregerson

Farm Bureau Property and Casualty Insurance Company  
3500 So Phillips Ave  
Suite 247  
Sioux Falls SD 57105  
605-977-3485 (Office)

Enc: General Section, PKSD.SGENL.1214  
Property Section, PKSD.SPROP.0508  
Farm/Ranch Personal Property Module, PKSD.MFRPP.0508  
Scheduled Personal Property Module, PKSD.MSCHP.0508

CC: Pamela Green, Farm Bureau Agent

UNITED STATES POSTAL SERVICE

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

 • Sender: Please print your name, address, and ZIP+4® in this box®

 FARM BUREAU CLAIMS  
 BOX 1397  
 HURON, SD 57350

DeFea #A090314P00

APR 02 2015



## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

 Leonard & Patty Gregerson  
 13765 Lane Jonny Rd  
 Fairburn SD 57738

## COMPLETE THIS SECTION ON DELIVERY

## A. Signature


☐ Agent☐ Addressee

## B. Received by (Printed Name)

Leonard Gregerson

## C. Date of Delivery

3-27-15

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

APR 02 2015

## 3. Service Type

☒ Certified Mail®☐ Priority Mail Express™☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ Collect on Delivery

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## 2. Article Number

(Transfer from service label)

7012 3460 0002 1445 1493

PS Form 3811, July 2013

Domestic Return Receipt



To: P3WorkflowIMAP <p3workflowimap@fbfs.com>

cc: Jim Defea <jim.defea@fbfs.com>

From: Cindy Arneson <Cindy.Arneseon@fbfs.com>

Sent on: 04/02/2015 09:56:13 AM

Subject: A090314P00

## Cindy Arneson

Administrative Assistant III  
SD Business Unit  
Farm Bureau Financial Services  
PO Box 1397  
Huron SD 57350  
(605)353-8014 phone  
(605)353-8020 fax  
cindy.arneseon@fbfs.com

### Attachments:

content [1] .pdf



Leonard and Patty Gregerson  
13765 Lame Jonny Rd  
Fairburn SD 57738

RE: Insured: Leonard and Patty Gregerson  
Policy Number: 7936007  
Date of Loss: 10-17-14  
Claim Number: A090314P00

Dear Mr. and Mrs. Gregerson,

This letter will serve as acknowledgement of receipt of your letter of May 3, 2016, which was addressed to my attention for the purpose of reviewing our position as it was originally shared with you via our letter of February 17, 2015.

First of all, I would like to thank you for sharing the additional information regarding this incident as it was explained in your recent letter. While there were some details we were unaware of the majority of the information you have brought up in this letter had already been developed through our initial claims investigation.

Unfortunately, the facts of this incident have not changed the coverage issues as defined in our coverage disclaimer letter to you that was sent in February of last year. For your review I have attached a copy of that letter. Regretably, and respectfully, we are unable to reconsider our position as it relates to the extension of coverage to you for the loss of these animals under these circumstances.

Sincerely,

James M. DeFea, CPCU, CLSSGB, AIC, AIS, AINS  
SD Business Center Bodily Injury Specialist  
Farm Bureau Property and Casualty Insurance Company  
PO Box 9168



Des Moines, IA 50306-9168  
605-977-3485 (Office)

Enclosure February 2015 coverage disclaimer  
Copy of certified receipt



Leonard and Patty Gregerson  
13765 Lame Jonny Rd  
Fairburn SD 57738

James M. DeFea  
Farm Bureau Property and Casualty Insurance Company  
3500 So Phillips Ave Suite 247  
Sioux Falls SD 57105  
605-977-3485 (Office)

May 3, 2016

Dear Mr. DeFea,

My wife and I sent in a claim for some stolen cows and calves back in 2015. You sent us a letter on March 24, 2015. You said "The facts, as confirmed to date, indicate that you had turned your livestock over to a custom feeder and then notified us of a significant shortage upon the taking of an inventory on the date of the loss indicated above."

I don't know if you've confirmed any more facts since your letter, but I'm writing to give you some more facts.

**Cows and calves lost**

In February 2014, we sent 135 pregnant cows up to pasture at Karl Knutson's property in Valc. Karl's dad has a house there, with a barn, holding corrals, and a pasture. Karl agreed to calve the cows at that property, and then move them to a large summer pasture a few miles from his house. One cow got hurt during the trip up to Karl's in February, and Karl shot her a few days later. That took us down to 134 pregnant cows at Karl's.

In March, Karl told us that five of the cows had lost their calves during or right after birth. We accepted Karl's word on that, and we took those five cows back to our property in Fairburn.

So we had 129 adult cows still on Karl Knutson's property in March 2014. We left all of them with Karl until we brought them all home in October 2014, after summer pasturing.

In May 2014, we had a branding party up at the summer pasture. We branded 122 calves. Karl said he still had a few cows up at the calving pasture, so that there should have been a few more calves. But we saw and branded 122.

So in May 2014, we had 129 cows and 122 calves at Karl Knutson's property.

In October 2014, we trucked the cows and calves back home to Fairburn. There were only 113 of our adult cows, and only 95 calves.

We were missing 16 cows, and at least 27 calves. We were probably missing a few more calves, from the cows that were still up at the calving pasture when we had the branding party.

### **Evidence of theft**

In October, when we realized how many cows and calves were missing, we searched the summer pasture extensively. My son Kyle and our friends Duke Buffington and Tanner O'Daniel searched the pasture on four-wheelers. They searched all over the pasture, and they went far outside the pasture, into the surrounding pastures, two or three pastures deep in some areas.

The land there is pretty flat and there are almost no trees. There are no deep gulleys or treed areas where cattle could get lost so you wouldn't see them. We didn't find the missing cattle, and we didn't find any carcasses, either. I recently spoke to Karl Knutson's hired man from that time, Josh Schumaker. Josh confirmed that they never had any cattle killed by wild animals.

We've spoken to the surrounding land owners, and they confirm that our missing cattle didn't show up in their herds. You wouldn't expect that many cattle to go through fences and wander from their own herd to another. Cattle mostly only go through fences when they're pushed by a snowstorm (or by people). They'll also wander away when fences get washed out or cut or something like that. But none of those things happened, so they wouldn't explain why the cattle would leave the summer pasture on their own.

The only explanation for the missing cattle is theft. They didn't die and leave carcasses. There's no evidence they broke through the fences and wandered into another herd. Someone had to have stolen them.

I think we've already sent you a letter from the Meade County Sheriff's office, mentioning the police report.

### **The likely thief**

I don't think we have to prove who stole the cattle for the insurance coverage, but all signs point to Karl Knutson. Karl had a hired man named Josh Schumaker. I talked to him. Josh said that when we delivered our pregnant cows to Karl's calving pasture, Karl told Josh that he had bought those cows — that our cows were Karl's own cows.

(Josh also said that our 5 calves that died in birth died from neglect. Josh quit working for Karl because Karl abused and neglected cattle.)

We didn't know Karl's reputation at the time, but we now know that a lot of people have had trouble with him, and he's gotten into a lot of shady dealings.

Most importantly, he's now in federal prison for trying to steal from a government program for ranchers who lost cattle in the big 2013 blizzard. Here's a news article on that: <http://www.ksfy.com/home/headlines/Man-who-falsely-claimed-cattle-losses-gets-1-year-in-prison-371423891.html>.

Karl has also cheated a number of people in cattle deals. I spoke to Karen Bryan. She said that she had a deal with Karl to take care of her cattle. She paid him for pasture and feed. When she collected her cattle, it turned out that he hadn't been feeding them. They were starving.

In talking to people about Karl, I heard about a lot of other shady deals he got into, too. I won't go into them here, but it supports the idea that Karl was probably the guy who took our cattle.

### **Your investigation**

I haven't heard from anyone at Farm Bureau since you sent your March 24, 2015, letter about "the facts, as confirmed to date." I don't know what investigation you've done since then. But we want to cooperate with your investigation.

You might also want to talk to the following people:

- Duke Buffington, 605-430-0458 (helped search for cattle)
- Tanner O'Daniel, 605-454-1747 (helped search for cattle)
- Josh Schumaker, 605-431-6232 (Karl Knutson's ex-hired man)
- John Millar, 605-347-0553 (cell) (owns property around Knutson's summer pasture; confirms our cattle didn't end up in their herd)

- Karen Bryan, 605-645-1767 (had bad dealings with Knutson)

Again, my wife and I want to give you all the help you need. We lost 16 cows, and at least 27 calves, to theft. As you can imagine, this was a big loss and it's hit us hard. I want to help you finish your investigation, so we can get this claim paid.

Thanks, and let me know what more you need from us.

Sincerely,



Leonard Gregerson



To: P3WorkflowIMAP <p3workflowimap@fbfs.com>

From: Micah Chaplin <micah.chaplin@fbfs.com>

Sent on: 05/31/2017 06:55:32 AM

Subject: A090314P00

**Micah Chaplin, AIC**

Subrogation Specialist

Farm Bureau Financial Services

Farm Bureau Property & Casualty Insurance Company

Western Agricultural Insurance Company

Ph: 515-226-6440 | Fax: 515-226-6311

FBL Financial Group, Inc. | 5400 University Avenue, West Des Moines, IA 50266

**From:** investigations@rycfind.com [mailto:investigations@rycfind.com]

**Sent:** Wednesday, May 31, 2017 4:47 AM

**To:** Micah Chaplin <micah.chaplin@fbfs.com>

**Subject:** Past due on A090314P00

Micah,

The attached has come up on the 30 Day + Past Due List. Can you please check to see if payment has been issued?

Any assistance you can offer in helping us to get this invoice paid is greatly appreciated.

Mailing Address:

PO BOX 647

ALPHARETTA, GA 30009-0647

Thank you!

John Bracey

**RY & C Co. Inc .**

[www.RYCfind.com](http://www.RYCfind.com)

*Professional Investigators*

PO Box 647

Alpharetta, GA 30009-0647

770.804.0000 Phone

770.671.0716 Fax

PROVIDING DIRECTION - NOT JUST DATA™

=====

This email/fax message is for the sole use of the intended recipient(s) and may contain confidential and privileged information.

**FB0303**

Any unauthorized review, use, disclosure or distribution of this email/fax is prohibited. If you are not the intended recipient, please destroy all paper and electronic copies of the original message.

Attachments:

z84272.542.pdf

**RY&C****COMPANY, INC.**

PO BOX 647

ALPHARETTA, GA 30009-0647

(770) 804-0000 OR FAX (770) 671-0716

<https://www.RYCfind.com/>

4/21/2017

Ms. Micah Chaplin  
FARM BUREAU MUTUAL  
5400 University  
West Des Moines, IA 50266

File #: **RYC 84272**  
Loss Date: 10/17/2014  
Insured: L. Gregerson  
Claim #: A090314P00  
Client #: **542-16**

**ASSET REPORT**

**SUBJECT:** Karl Jakob Knutson  
See Below

**DOB:** See Below

**EMPLOYMENT:** Searched - employment status not confirmed

**DRIVER'S  
LICENSE #:** N/A  
**PLATE #:** N/A

**REAL  
PROPERTY:** See Below

**COMMENTARY:**

The steps of our investigation into the location and assets of Karl Jakob Knutson include the following:

We began by contacting the local directory where we found no listing for your subject or (605)391-8030. We have yet to establish contact with residents at the provided telephone number.

Verbal contact has not proven feasible. Therefore, we have been unable to disclose any information regarding your subject's current possible employment status and/or insurance coverage for the date of loss.

Our inquiry via social networking sites has revealed no verifiable leads regarding your subject's employment status.

We contacted the South Dakota State Department of Corrections where we found that Karl Jakob Knutson, DOC number 41759, was reportedly released from state custody 03/18/2016.

Although we inquired, we have found no verifiable record of a social security number for your subject based on the provided identifying information.

However, from the social security number we have found the following address(es) previously recorded for the *only* Karl Jakob Knutson in South Dakota, birth date 01/16/1988: 19192 136<sup>th</sup> Ave. Vale SD 57788-3013. *Please note that the information reported in conjunction with the social security number is subject to privacy restrictions (Gramm-Leach-Bliley Act) and is not verification of your subject's current whereabouts.*

We obtained a listing for Dale E. Knutson of (605)456-2973 at the address of 19192 136<sup>th</sup> Ave. in Vale, SD, but have received no response to attempts at contact.

According to the Butte County Property Tax Assessor's Office the property at 19192 136<sup>th</sup> Ave., parcel 08-7-30-3, is recorded in the names of Dale E. and Gail D. Knutson and is valued at \$157,002.

In accordance with the *Fair Credit Reporting Act, Section 604*, we have not obtained access to credit information for your subject in regards to your loss.

We contacted the United States Bankruptcy Court where we found that a Karl Jakob Knutson of Vale, SD did file Chapter 13 Bankruptcy 03/06/2015 under case number 15-50038. The case was dismissed 08/18/2015.

We contacted the Department of Defense in regards to the *Service Member's Civil Relief Act*, but have been unable to confirm any record of military service and/or active duty.

This concludes our investigation.

**RY&C****COMPANY, INC.**

PO BOX 647

ALPHARETTA, GA 30009-0647

(770) 804-0000 OR FAX (770) 671-0716

<https://www.RYCfind.com/>

4/21/2017

Ms. Micah Chaplin  
FARM BUREAU MUTUAL  
5400 University  
West Des Moines, IA 50266

File #: **RYC 84272**  
Loss Date: 10/17/2014  
Insured: L. Gregerson  
Claim #: A090314P00  
Client #: **542-16**

---

**BILL FOR SERVICE RENDERED:**

INVOICE # RYC 84272                      \$75.00

---

TOTAL AMOUNT DUE:                      \$75.00

TERMS:      NET ON RECEIPT

FED ID #:      **58-2135349**

REMIT TO: **RANDOLPH, YOUNG & CHAPMAN CO., INC.**  
**PO BOX 647**  
**ALPHARETTA, GA 30009-0647**

**PLEASE INCLUDE CLIENT AND RYC FILE NUMBER WITH PAYMENT**

*Your client number is 542-16*

THANK YOU!

**FARM BUREAU PROPERTY & CASUALTY INSURANCE COMPANY***THIS CHECK IS FOR:**P & C CLAIMS - ALL LINES**INSURED* LEONARD GREGERSON*CLAIMANT* LEONARD GREGERSON*ADJ:* Micah Chaplin

RANDOLPH YOUNG CHAPMAN CO INC  
 PO BOX 647  
 Alpharetta GA 30009-0647

POLICY # 0000000007936007  
 DATE OF LOS 10/17/2014  
 CLAIM # A090314P00  
 CHECK NUMBER 0101394664  
 CHECK DATE 05/31/2017  
 CHECK AMT \$75.00

Line Number	Unit at Risk	Coverage	Narrative	Amount
A090314P01	cow/heifers	FPPS	RYC84272 -	\$75.00

POLICY 07936007 D/L 10/17/2014 CLAIM A090314P00  
 INSURED LEONARD GREGERSON CLAIMANT LEONARD GREGERSON  
 ADJ: Micah Chaplin  
 I & A - Miscellaneous Expense

Randolph Young & Chapman Co Inc

FB0308

6-14

CERTIFIED MAIL



7015 0640 0007 0317 4223

Hasler FIRST-CLASS MAIL  
05/20/2016  
US POSTAGE \$06.88<sup>5</sup>



ZIP 57350  
011D11644642

Hasler  
05/20/2016  
US POSTAGE \$00.49<sup>9</sup>



ZIP 57350  
011D11644642

5-23

1st NOTICE 5-23  
2nd NOTICE 5-28  
RETURNED 6-7

A090314P00

2225 DAKOTA AVENUE SOUTH  
P.O. BOX 1397  
HURON, SOUTH DAKOTA 57350-1397



FARM BUREAU FINANCIAL SERVICES

RETURN REQUESTED

WNC

Leonard and Patty Gregerson  
13765 Lane Jonny Rd  
Fairburn SD 57738

NIXIE 577382013-1N 06/11/16

RETURN TO SENDER  
UNABLE TO FORWARD  
UNABLE TO FORWARD  
RETURN TO SENDER



COMPLETE THIS SECTION ON DELIVERY

A. Signature ☒ Agent  
B. Received by (Printed Name) ☐ Address  
C. Date of Delivery ☐ Yes  
D. Is delivery address different from item 1? ☐ No

3. Service Type  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☒ Certified Mail®  
☐ Return Receipt for Merchandise  
☐ Collect on Delivery  
☐ Signature Confirmation™  
☐ Restricted Mail (over \$500)  
☐ Restricted Delivery

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

■ Complete items 1, 2, and 3.  
■ Print your name and address on the reverse so that we can return the card to you.  
■ Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Leonard & Patty Gregerson  
13765 Lane Jonny Rd  
Fairburn SD 57738



9590 9402 1465 5329 4484 94

2. Article Number (Transfer from service label)

7015 0640 0007 0317 4223

PS Form 3811, July 2015 PSN 7530-02-000-9053

To: P3WorkflowIMAP <p3workflowimap@fbfs.com>

cc: Jim Defea <jim.defea@fbfs.com>

From: Cindy Arneson <cindy.arneson@fbfs.com>

Sent on: 06/14/2016 10:02:27 AM

Subject: A090314P00

## Returned mail

### Cindy Arneson

Administrative Assistant III  
SD Business Unit  
Farm Bureau Financial Services  
PO Box 1397  
Huron SD 57350  
(605)353-8014 phone  
(605)353-8020 fax  
cindy.arneson@fbfs.com

Attachments:

content.pdf





## Final Casualty E-Report

**Date of Current E-Report:** February 22, 2017  
**Current E-Report Prepared By:** Jim DeFea  
**Date of Initial E-Report:** October 20, 2016  
**Initial E-Report Prepared By:** Jim DeFea  
**Business Center:** SDBU  
**BCCC:** Drew Van Woert  
**CCC:** Charles Petrik

**Any other Farm Bureau Policies with Potential Coverage for this Claim:** No  
**Primary**                      **Excess**  
**If Yes, Give Policy Type, Policy Number, Claim Number, Adjuster, and BCCC:**

.....

### POLICY INFORMATION

**Policy #:** 7936007  
**Claims #:** A090314P00  
**Date of Loss:** 10/17/14  
**Time of Loss:** PM  
**Date Loss Reported to FBL:** 11/21/14  
**Effective Policy Dates:** 5/16/14 to 5/16/15  
**Agent:** Pam Green  
  
**Named Insured:** Leonard Gregerson  
**Coverage:** OTHER  
**Coverage Limit:** \$140,000.00  
**Umbrella:** No  
**Umbrella Coverage Limit:**

**Explain Any Coverage Issues/Additional Coverages/Duplicate Coverages: Livestock scheduled under blanket coverage. Insured turned over for custom feeding and contracted feeder converted portions of herd to his own use.**

Livestock is covered for special perils limited to named 1-10, 30 & 31. On P-3 this livestock is shown listed as covered by class, it is in effect "scheduled". Therefore it is subject to conditions in both the general sections and the property sections as shown below.

#### Special Causes Of Loss

When the Declarations indicate that Farm/Ranch Personal Property is insured for Special Causes of Loss, the following additional provisions apply.

#### Livestock

If insured under this module, we cover "livestock" only for losses "caused by" the Named Causes of Loss numbers 1 through 10, 30 and 31.

**Additional Causes Of Loss**

**31. Loss to Livestock.** We cover direct physical loss to covered "livestock" "caused by":

- a. Accidental Shooting. We do not cover under this cause of loss shootings by any "insured" or your employees or tenants;
- b. Attack by Dogs or Wild Animals. We do not cover loss caused directly or indirectly by fright or by dogs owned by any "insured";
- c. Collapse, meaning collapse of buildings, bridges or culverts;
- d. Drowning, from external causes, including flood, except for "livestock" under 15 days old;
- e. Electrocution; or
- f. Loading or Unloading accidents resulting in their death and occurring while they are being loaded or unloaded from vehicles other than contract carriers.

**Named Causes Of Loss Index****10. Theft**

There is no coverage for:

- g. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance or where the only evidence of loss is a shortage disclosed upon taking inventory.

**Scheduled Personal Property Module**

There is no coverage for loss to "livestock" "arising out of":

- A. Fright, or as the direct or indirect result of fright, however caused;
- B. "Suffocation" or "smothering"; or
- C. Escape, wrongful conversion, or embezzlement.

Livestock/Poultry							
Type	Item Type	Item Description	%Own	Qty	Unit Value	ACV	*Fre
Scheduled	Horses/Ponies	Kyles horses	100	2	5,000	10,000	YES
Scheduled	Stock, Bulls	bulls	100	10	6,500	65,000	YES
Scheduled	Stock, Calves/Ste...	calves	100	175	800	140,000	YES
Scheduled	Stock, Cows/Heifers	cow/heifers	100	175	1,500	262,500	YES
Scheduled	Stock, Cows/Heifers	Kyles cows/heifers	100	180	1,500	270,000	YES
Scheduled	Stock, Calves/Ste...	Kyles calves	100	180	800	144,000	YES
Scheduled	Stock, Bulls	kyles bulls	100	6	6,500	39,000	YES

.....

**WATCH LIST AND OTHER REPORTING**

**WATCH LIST / REINSURANCE / ERRORS & OMISSIONS (E&O) / REFORMATION**

**Watch List Notified:** Yes      **Date Notified:** 10/21/16  
**Watch List Qualifying Criteria:**  
**Watch List Code:**      **Date Last Updated:**  
  
**Watch List Closed:**      **Date Closed:**  
**CCC Notified:**      **Date Notified:**  
  
**Reinsurance Notified:** No      **Date Notified:**  
**Reinsurance Claim #:**  
**Retention Amount:**  
**Recovery Amount:**      **Recovery Date:**  
**Reinsurance Closed:**      **Date Closed:**  
  
  
**E&O Committee:** No      **Claim #:**  
**Committee Decision:**  
  
**Reformation Committee:** No      **If "Yes", Date:**  
**Reformation Decision:**

**BAD FAITH (BF) / EXTRA CONTRACTUAL OBLIGATIONS (ECO)**

**BF / EC Alleged:** No      **If "Yes", Date:**  
**Who Alleged, How Communicated, and Allegations Made:**  
  
**ICPL Carrier:**  
**Carrier Notified:**      **If "Yes", Date:**  
**Notified by:**  
**ICPL Updates:**

.....

**LOSS DESCRIPTION**

**Location of Loss:** Meade County SD  
**Detailed Loss Description:** Insured contracted with custom feeder to finish cattle. Insured delivered portions of herd to custome feeder who then converted a portion of that herd for his own use. Conversion of herd took place over a several month timespan and the custom feed llot was located a hundred miles from insured premises.  
**Names of all Potential Insureds under Farm Bureau policies who have Potential Liability Exposures:**      **Relationship to Named Insured:**  
**Aggravating Issues:** No      **BAC:**  
**Police Photos Available:**      **If "Yes", Have They Been Obtained:**  
**Citation(s) Issued To:**      **For:**  
**Disposition of Citation:**  
**Scene Photos Obtained:**  
**Statements Obtained from all Parties including Witnesses Identified in Police Report:**

Yes (Insured)

**Non-Waiver Agreement:** Yes      **If “Yes”, Date Signed:** 11/24/14  
**Reservation of Rights:**      **If “Yes”, Date Sent:**

**Other Party Responsible:**      **If “Yes”: Name**  
   **Insurance Company**  
   **Coverage Limit:**  
**SIU Notified:**      Yes      **Asset Check Completed:**  
   **Reason:**

**Liability Analysis of all Involved Parties:** Coverage determination

.....

### INJURED PARTY INFORMATION

**Line Number:** 01  
**Name of Injured Party:** Leonard Gregerson  
**Address:** 13765 Lane Johnny Rd,  
Fairburn SD 57738  
**Occupation:** Rancher  
**Marital Status:** Married  
**Spouse Name:** Patty

### INJURY BREAKDOWN

**FRPP Claimed:** \$85,439.00  
**FRPP Documented:** Yes

**Paid Amounts:** \$0.00  
**Total Specials:** \$85,439.00

**Additional Comments:** Lost livestock: The insured feels the value of the cows are \$2850 each and they weighed 1450 lbs. each 15 @ \$2850 is \$42,750

The insured lost 27 calves and the just sold calves at \$1587 each. The calves weigh 570lbs on average. 27 calves @ \$1587 is \$42,849.

Total claimed is \$85,439.00

### PLAINTIFF ATTORNEY IDENTIFICATION

**Attorney Name:** Dan Holloway  
**Firm:** Abourezek Law Firm  
**Address:** PO Box 9460, Rapid City SD 57709  
**Phone #:** 605-342-0097



.....

## RESERVES/EXPENSE/STRATEGY

### RESERVE HISTORY

**Claimant:** Leonard Gregerson

**Initial Reserve (Numerical only):** \$t.00

<u>Current Reserve:</u>	<u>Date Changed:</u>	<u>Reason for Change:</u>
\$500.00	10/1/16	reopened

Authority Needed?

Who?

**Reserve Deviation Required:** No **Date Notified:**

### NEGOTIATIONS

**Claim Value Range:**

to

**Authority Requested:**

**Authority Granted:**

**by:**

Demand:

Date:

Offer:

Date:

**Personal Liability Exposure Letter Needed (Include All Insureds):** No Yes/No  
**Date Notified:**

**Settlement Amount:** \$53,720.00

**Structures Presented:**

### ALTERNATIVE DISPUTE RESOLUTION (ADR)

**ADR Attempted:** No **Date:**

**Pre-Suit ADR:**

**Mediator:**

**Demand Going In:**

**Offer Going In:**

**ADR Result:**

**If Settled, Amount:**

**ADR Expense:**

**Total LAE Including Attorney Fees:**

**LAE Avoided:**

**ADR Comments:**

## LITIGATION HISTORY

**Claim System Coded to Litigated:** N/A      **Date:**  
**Case Name:** v.  
**Cause for Suit:** (Liab, Dmgs, SOL, etc.)  
**LSS Matter #:**  
**Date Suit Filed:**  
**Date of Service:**  
**Answer Date:**  
**Court Venue:**  
**Close of Discovery Motion Date:**  
**Dispositive Motion Date:**  
**Pre-Trial Date:**  
**Trial Date:**  
**Damages Pled:**  
**Resolution:** Amount:  
**Date Suit Closed:**

**Defense Attorney:**  
**Firm:**  
**Address:**  
**Phone #:**

**TOTAL LAE INCURRED TO DATE:** \$0.00  
**ESTIMATED FUTURE LAE:** \$0.00

**TOTAL INDEMNITY INCURRED TO DATE AND TYPE:**  
\$0.00

## UPDATES:

10-21-16:

See attached correspondence and claim file. Insured attorey requested written response to position on coverage.

2/22/17

Claim has concluded with settlement reached with insured and his attorney in the amount of \$53720.00

Paid final legal billing to Lynn Jackson, closed file.

Closing LSS as well.

**\*\*ATTACH ANY PHOTOS UNDER SEPARATE FILE\*\***

To: P3WorkflowIMAP <p3workflowimap@fbfs.com>

From: Kevin McCoy <kevin.mccoy@fbfs.com>

Sent on: 07/18/2018 01:19:05 PM

Subject: A090314P00

From: Kevin McCoy

Sent: Wednesday, July 18, 2018 1:18 PM

To: Jim Defea <jim.defea@fbfs.com>; Drew Van Woert <drew.vanwoert@fbfs.com>

Cc: Mike Ensley <Mike.Ensley@fbfs.com>

Subject: FW: Gregerson Complaint - Claim # A090314P00

Jim and Drew,

As you can see, we received notice of this new suit. There is a count for Bad Faith. We will need an updated E-report.

Jim, I attached the last version that I had. It was dated 2-22-17.

We will be scheduling a conference call soon.

Thank you

From: Lana Deering

Sent: Wednesday, July 18, 2018 11:03 AM

To: Mike Ensley <Mike.Ensley@fbfs.com>

Cc: Karl Olson <Karl.Olson@FBLFinancial.com>; Janet Reiter <janet.reiter@fbfs.com>; Kevin McCoy <kevin.mccoy@fbfs.com>

Subject: Gregerson Complaint

Please find attached a copy of the Gregerson Complaint which was filed against Farm Bureau Property & Casualty Insurance Company in the U.S. District Court for South Dakota. Service on Farm Bureau was accepted by the South Dakota Insurance Commissioner on July 16, 2018. It is a first-party property loss claim arising out of the alleged theft of cattle. The Complaint alleges breach of contract and bad faith and includes a claim for punitive damages based on alleged improper claims handling.. There is also a request for attorney's fees. This lawsuit needs to be reported to both the Watch List and the Bordereau.

I will interoffice a hard copy as well today.

Lana S. Deering

Legal Assistant

Parker & Geadelmann, P.L.L.C

5400 University Avenue, West Des Moines, IA 50266

Ph: 515-225-5649 | Fax: 515-453-3324

Attachments:

Gregerson Complaint.pdf

Closing E-Report - Gregerson, A090314P00 , 2-22-17.docx





**DIVISION OF INSURANCE**

Tel: 605.773.3563 | Fax: 605.773.5369

[dlr.sd.gov/insurance](http://dlr.sd.gov/insurance)

July 16, 2018

**VIA CERTIFIED MAIL**

Farm Bureau Property and  
Casualty Insurance Company  
Attn: Legal Department  
5400 University Avenue  
West Des Moines, IA 50266

Re: 18-SC-0033  
Patricia Gregerson vs. Farm Bureau Property & Casualty Insurance Company

Pursuant to SDCL 58-6-39, we are enclosing a copy of a Summons and Complaint, a complaint in the above-entitled action in which your company is a party. Service was admitted on the 16th day of July, 2018, at 9:00 a.m.

Should the matter be resolved through a settlement agreement, the Division requests that the settlement agreement not contain a confidentiality agreement that would preclude our obtaining information pertinent to the suit, so as to avoid conflict with the Division's broad statutory mandate allowing us to obtain any information we ask from licensees.

Please contact Eva Briggs at (605)773-4104 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Larry Deiter', written over a horizontal line.

Larry Deiter, Director  
S.D. Division of Insurance

Case 5:18-cv-05044-JLV Document 7 Filed 07/03/18 Page 1 of 1 PageID #: 22

AO 440 (Rev. 06/12) Summons in a Civil Action

## UNITED STATES DISTRICT COURT

for the

District of South Dakota



PATRICIA GREGERSON

\_\_\_\_\_  
*Plaintiff(s)*

v.

FARM BUREAU PROPERTY AND CASUALTY  
INSURANCE COMPANY\_\_\_\_\_  
*Defendant(s)*

Civil Action No. 5:18-CV-05044-JLV

## SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)*FARM BUREAU PROPERTY AND CASUALTY INSURANCE COMPANY  
VIA: ITS DESIGNATED AGENT  
LARRY DEITER, DIRECTOR  
DIVISION OF INSURANCE  
SOUTH DAKOTA DEPARTMENT OF LABOR AND REGULATION  
124 SOUTH EUCLID AVENUE, 2ND FLOOR  
PIERRE, SD 57501

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

DANIEL BRENDTRO  
BRENDTRO LAW FIRM  
P.O. BOX 2583  
SIOUX FALLS, SD 57101

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.



SUMMONS ISSUED:

10:47 am, Jul 03, 2018

MATTHEW W. THELEN, Clerk

By: 

Deputy Clerk

FB0320

UNITED STATES DISTRICT COURT  
DISTRICT OF SOUTH DAKOTA  
WESTERN DIVISION

<p>PATRICIA GREGERSON</p> <p>Plaintiff,</p> <p>vs.</p> <p>FARM BUREAU PROPERTY AND CASUALTY INSURANCE COMPANY,</p> <p>Defendant.</p>	<p>CIV. 18—<u>5044</u>-JLV</p> <p><b>COMPLAINT AND DEMAND FOR JURY TRIAL</b></p>
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Patricia Gregerson, the Plaintiff, brings this action for herself, individually, as well as on behalf of the Estate of her late husband, Leonard Gregerson. For her Complaint, she states and alleges as follows:

**Nature of the Action**

Patricia Gregerson and her late husband, Leonard, were the victims of cattle theft. Their insurer wrongfully denied their claim for two years without a legitimate basis or any meaningful investigation. Patricia brings this diversity suit against the Farm Bureau to recover general, special, and punitive damages for its wrongful conduct, as well as to recover attorney's fees.

### **Parties**

1. Plaintiff, Patricia Gregerson, is a resident and citizen in South Dakota. She is also the Personal Representative of the Estate of Leonard Gregerson. She brings this action on behalf of herself and the Estate.
2. Leonard Gregerson's estate is being informally probated in Custer County, South Dakota.
3. Farm Bureau Property and Casualty Insurance Company is an Iowa corporation. Its principal place of business is at 5400 University Avenue, West Des Moines, Iowa, 50266. It will be referred to in this pleading as "Farm Bureau Insurance."
4. Farm Bureau Insurance is authorized by the South Dakota Division of Insurance to do business in this State and has appointed the Director of the Division of Insurance as their attorney to receive legal process issued against them in South Dakota.

### **Jurisdiction and Venue**

5. Plaintiff invokes the jurisdiction of this Court pursuant to 28 U.S.C § 1332 based upon diversity of the parties.
6. Complete diversity exists between Plaintiff and Defendant.

7. The amount in controversy exceeds \$75,000.
8. A substantial part of the events or omissions giving rise to this action occurred in South Dakota. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) or (3).

### **Factual Background**

9. On or about February 10, 2014, Patricia Gregerson, and her husband, Leonard Gregerson (now deceased), transported their 135 bred cows to Karl Knutson's property in Vale, South Dakota, for calving and summer pasture. Of these cows, one was euthanized after an injury and five others were returned to the Gregersons to be re-bred after the death of their calves.
10. In the spring, the Gregersons traveled to the summer pasture site for a branding party, during which 127 new calves were branded with the family's brand and tagged with green tags in the left ear. Karl Knutson told the Gregersons that a few other cows were still on the "calving pasture," so the Gregersons believe they also owned a few more calves which were not branded at that time.
11. Therefore, as of May 2014, the Gregersons owned 129 cows and at least 127 calves which they pastured at the Karl Knutson property.

12. When the Gregersons returned in mid-September 2014 to vaccinate their herd, a substantial number of cows and calves were missing.
13. The value of the missing livestock was in the tens of thousands of dollars, and, therefore, on several different days over the course of several weeks, the Gregersons conducted a careful and exhaustive search to attempt to locate and recover the animals. The search included the entirety of the summer pasture, the surrounding areas, and discussions with neighboring ranchers. They searched for strays and carcasses, examined the fencing for cuts or washouts, and checked the remaining cattle for signs of injury from loose fencing. They used four-wheelers to aid the search. They observed that the Knutson summer pasture terrain is flat, with almost no trees; there are no deep gullies or wooded areas where cattle could get lost. They confirmed with the hired man that no cattle had been killed by wild animals. The exhaustive search yielded none of the missing cattle.
14. By the following month (October 2014), the Gregersons concluded that theft was the only plausible explanation for the missing cattle. They also believed that Karl Knutson was acting suspiciously. The Gregersons filed a report with local law enforcement for the theft of

16 cows and 27 calves, and the Meade County Sheriff's office began investigating Case Report #14-10385. The Sheriff's office received the Gregersons' full cooperation, and they were never considered or treated as suspects. The Gregersons also reported the stolen cattle via the South Dakota Brand Board's November 2014 newsletter alert.

15. Shortly thereafter, the Gregersons then reported the theft of 16 cows and 27 calves to Farm Bureau Insurance, making a claim for payment.
16. At the time, the Gregersons' farm and ranch policy included scheduled coverage for livestock, including loss from theft. Their premiums had been paid in full, and the Policy was in full force.
17. Farm Bureau Insurance denied the claim, via a February 17, 2015, letter, referencing Claim A090314P00 under Policy # 7936007.
18. It is unclear what, if any, investigation Farm Bureau Insurance performed prior to denying the claim.
19. Farm Bureau Insurance issued a nearly identical denial letter a month later, in March 2015, again disclaiming coverage of any kind.

20. For the next two years, the Gregersons continued their attempts to recover payment upon their claim. In May 2016, the Gregersons sent the first of what would eventually be ten follow-up letters attempting to get their claim paid. Their May 3, 2016, letter (i.e., the 1<sup>st</sup> letter) reiterated their request for payment of their claim, and they attempted to explain the claim in further detail. In response, on May 20, 2016, Farm Bureau Insurance repeated its denial, writing that “the facts of this incident have not changed the coverage issues.” The company’s denial letter included courtesy copy of its original February 17, 2015, letter.
21. The Gregersons ultimately retained an attorney regarding the coverage issue. To begin, their attorney wrote a letter on September 2, 2016, (i.e., the 2<sup>nd</sup> letter), in which he explained that he had reviewed the company’s prior correspondence and found no explanation about the reasons for the denial; he therefore asked for an explicit explanation of the denial, in writing. In response, Farm Bureau Insurance wrote a letter on September 27, 2016, but this letter did not provide an explanation for the denial.



22. On October 3, 2016, the Gregersons' attorney responded again (the 3<sup>rd</sup> letter), pointing out that the insurance company's September 27<sup>th</sup> response still did not discuss or describe the basis for the denial, and, again asked for "a written statement explicitly laying out the exact reasons why Farm Bureau denies the Gregersons' claim."
23. Hearing nothing, the Gregersons' attorney wrote additional follow-up letters on October 12, 2016, October 21, 2016, and November 1, 2016, seeking the same information (the 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> letters).
24. On November 7, 2016, Farm Bureau Insurance wrote that it had hired an attorney who was so busy that he would need until "near the end of the month...to get back to you."
25. Hearing nothing from Farm Bureau's attorney by "the end of the month," the Gregersons' attorney then sent several more letters asking about the status of the claim, including on December 5, 2016, December 12, 2016, December 19, 2016, and December 28, 2016 (the 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup> letters).
26. Finally, Farm Bureau Insurance responded to the tenth letter (sent on December 28<sup>th</sup>). On December 29, 2016, Farm Bureau Insurance sent a very short letter, saying that it had determined that there was

indeed coverage under the Policy and that it was now willing to get the claim "paid promptly." In its entirety, the letter said that, "In reference to the Gregerson's claim, Farm Bureau has concluded its investigation and made the determination that there is coverage under the policy. Please give me a call. Perhaps we can get this matter adjusted and paid promptly."

27. However, two weeks later, and prior to issuing payment, Farm Bureau Insurance sent a "release" for the Gregersons to sign in order to get their claim paid, which would require them to give up "any cause of action which [the Gregersons] could present against Farm Bureau arising out of or in any way related to the loss and/or theft of cattle."
28. The Gregersons's attorney responded by pointing out that the insurance company has a duty to pay claims without the need for a release, and asked, "Please just have Farm Bureau figure out what they think they owe the Gregersons on the claim and then pay it unconditionally. If it's owed on the insurance claim, then it's the Gregersons' money. Farm Bureau should pay that without putting any conditions on it or mixing it up with other issues."

29. Farm Bureau Insurance finally paid the claim without conditions.
30. On January 13, 2017, Farm Bureau Insurance issued checks for \$53,720 (an amount which included \$960 per head for 27 stolen calves, and \$1,800 per head for 16 cows, less the \$1,000 deductible).
31. This payment was issued over two years following the date upon which the Gregersons first reported their loss to Farm Bureau Insurance.

**Count 1.  
Breach of Contract**

32. Patricia Gregerson and Leonard Gregerson were insureds under the Policy.
33. Farm Bureau Insurance refused or failed to timely pay or provide benefits as required under the Policy and refused or failed to honor its duties under the Policy, and its statutory duties, including those set forth in SDCL 58-33-67. Such refusals or failures constitute a breach of the insurance contract.
34. Farm Bureau Insurance also failed to timely investigate the claim or to explain to Patricia Gregerson and Leonard Gregerson why Farm Bureau Insurance was refusing to pay their claim.

35. The Gregersons were damaged in an amount to be determined at trial.

**Count 2.  
Bad Faith**

36. The Policy was a valid contract for insurance between the parties.
37. The Gregersons' theft claim was compensable under the terms of the Policy.
38. In South Dakota, insurers have a duty to give equal consideration to the interests of their insureds throughout the entirety of the claim process.
39. Farm Bureau Insurance consciously engaged in wrongdoing by denying a valid claim, and by otherwise delaying the investigation, the processing, and the payment of the claim.
40. Farm Bureau Insurance's conduct was unreasonable; and Farm Bureau knew or should have known its conduct was unreasonable, or, it acted in reckless disregard of the existence of coverage, its duty to investigate, its duty to process claims, its statutory duties, and its duty to pay the claim in a timely manner.
41. Farm Bureau failed to properly and promptly investigate; communicate available coverage; pay the amounts due; provide

benefits per the Policy; and failed to otherwise act in a manner that gives equal consideration to the Gregersons' interests as Farm Bureau's.

42. These and other such acts and omissions breached Farm Bureau's duty of good faith it owed to the Gregersons' under the Policy.
43. Upon information and belief, Farm Bureau Insurance designed its claims handling process to unfairly deny valid claims, thereby forcing its insureds to take extra steps to obtain payment while hoping that enough people would be discouraged from pursuing benefits to enable Farm Bureau to realize a profit at the expense of its insureds.
44. In addition to violating the letter and spirit of the Policy language, Farm Bureau Insurance's conduct constituted unfair or deceptive practices and were a violation of its statutory duties, including those set forth in SDCL 58-33-67.
45. The Gregersons were damaged in an amount to be determined at trial.

**Count 3.**  
**Remedies for Statutory Misconduct**

46. Farm Bureau Insurance's conduct, described above, was vexatious or without reasonable cause, entitling the Gregersons to an award of attorney's fees pursuant to SDCL 58-12-3.
47. Farm Bureau's conduct, including the foregoing, amounts to unfair and/or deceptive acts or practices in the business of insurance as proscribed by SDCL 58-33-5 and Chapter 58-33 generally.
48. The Gregersons are entitled to recover all their actual and consequential damages as a result of Farm Bureau's unlawful acts or practices, as provided by SDCL 58-33-46.1.
49. Included in that calculation of damages are their reasonable attorney fees to be set by the court, also provided by SDCL 58-33-46.1.

**Count 4.**  
**Fraud and Deceit**

50. Farm Bureau, by and through agent James M. DeFea, its Claims Consultant, advised Patricia and Leonard, via a letter to them in Fairburn, South Dakota, that there was no coverage for their claim.
51. This statement was untrue, and Farm Bureau knew or should have known it was untrue.

52. Patricia and Leonard relied upon this statement to their detriment, and Farm Bureau intended for them to so rely.
53. Farm Bureau owes Patricia the legal duty which is due from every man to his fellow, to respect her rights of property and refrain from invading them by fraud.
54. Farm Bureau breached that common law duty, and/or those statements made by Farm Bureau constituted statutory deceit under SDCL 20-10-1 and SDCL 20-10-2(1)-(3).
55. The actions and statements of Farm Bureau were conducted by and ratified by its agents, acting in concert with each other.
- The Gregersons were damaged in an amount to be determined at trial.

### **Damages**

56. As a result of Farm Bureau Insurance's acts and omissions, the Gregersons suffered harms and losses, including direct and consequential damages, including:
- a. Delays in payment of money owed to them under the Policy;
  - b. Consequential harm to their farm operations arising from the deprivation of the use of the money owed;

- c. Unnecessary frustration, aggravation, annoyance, and anxiety from the effort to deprive them of the money owed; and
- d. Attorneys' fees.

### **Punitive Damages**

- 57. Farm Bureau is guilty of oppression, fraud, actual malice, and/or presumed malice; it acted intentionally, engaged in willful and wanton misconduct, in disregard for the rights of others, and in a manner which was oppressive to its policyholders.
- 58. The Gregersons are entitled to punitive damages to punish Farm Bureau and for the sake of example, under SDCL 21-3-2.

### **Prayer for Relief**

Patricia requests that this Court:

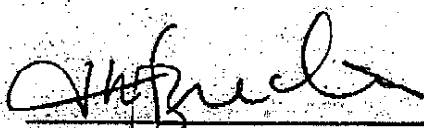
- A. Enter a money judgment in her favor for her and Leonard's harms and losses, including, actual and consequential compensatory damages, and punitive damages.
- B. Award her costs and disbursements herein.
- C. Award all actual and consequential damages suffered by them, and reasonable attorney's fees, under SDCL 58-33-46.1.



- D. Award attorney's fees under SDCL 58-12-13.
- E. Provide such other further relief as the Court deems just and equitable.

**Plaintiff Demands a Jury Trial**

Dated this 29<sup>th</sup> day of June, 2018.



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*Attorneys for Plaintiff*



September 27, 2016

DAN HOLLOWAY  
ABOUREZK & GARCIA  
P.O. Box 9460  
Rapid City, SD 57709

RE: Insured: LEONARD GREGERSON  
Policy Number: 7936007  
Date of Loss: 10/17/2014  
Claim Number: A090314P00

Dear DAN,

This letter will serve as a cknowledgement of receipt of your notice of representation of the above person and incident as captioned above as well.

Dan, once you receive this letter please do feel free to giving me a call to discuss this claim. If there are any documents you require in advance to assess the coverage issue please let me know and I will gladly send the same as soon as available.

I believe Mr. Gregerson has supplied us with all of the information suppording the claim so we most likely have all we need to understand the occurrence. If it should turn out that we are missing any documentation we can determine that once you and I have discussed.

I can be reached at the below number.

Sincerely,

James M. DeFea, CPCU, CLSSGB, AIC, AIS, AINS  
SD Business Center Bodily Injury Specialist  
Farm Bureau Property and Casualty Insurance Company  
PO Box 9168  
Des Moines, IA 50306-9168  
605-977-3485 (Office)



**\*\* SIU BILLINGTON CLOSING SUMMARY \*\***

**RECEIVED REFERRAL FROM:** SIU Referral Desk.

**REASON FOR REFERRAL:**

- Assist Claims in determining coverage.

**ISSUES & FOCUS:** Confirm or rule out the facts of this claim.

**INVESTIGATION STATUS:** Closed.

**CLOSING SUMMARY AS FOLLOWS:** SIU assistance was requested in determining coverage through reaching out to law enforcement. SIU spoke with the Investigator in charge of a criminal investigation; the information was relayed to Claims for their decision.

**REFERRAL TO DEPARTMENT OF INSURANCE:** No.

**\*\* SIU BILLINGTON INITIAL ACTION PLAN \*\***

**ISSUES:**

- Coverage,
- Status of the criminal investigation.

**INITIAL ACTION PLAN:**

- Discuss claim with Field Claims Representative Mike Elliott, (completed),
- Review file, (completed),
- Conduct pertinent database checks on all involved parties,
- Liaison with the Meade County Sheriff's Office, (completed).

**INVESTIGATIVE FOCUS:**

- Assist claims in ascertaining whether there is coverage in this claim.

**REQUEST FOR FCR:**

- Let's keep talking, Mike.

A new claim has been assigned to you. A task has been sent to your workflow queue.

Claim number: A090314P00 (FBL Claim number)  
Insured Name: LEONARD GREGERSON (First Named Insured)  
Insured Address: 13765 LAME JONNY RD,  
FAIRBURN, South Dakota, United States, 57738. (First Named Insured Address)

Batch print attachment                      FNOL snapshot attachment                      (Both attachments will be attached to the claim)

Carl Oberlitner  
Policy: A090314P00  
Page 1 of 5

This is Mike Elliott I'm speaking with Carl Oberlitner we're discussing an incident that occurred on the 17<sup>th</sup> of October 2014, today's date is Monday November 24<sup>th</sup> 2014, the time is 10:22 a.m. Carl do you realize that I'm recording this interview?

A. Yes I do.

Q. Do I have your permission to do so?

A. Yes.

Q. Could you tell us your full name please?

A. Carl Oberlitner.

Q. How do you spell your last name?

A. O-B-E-R-L-I-T-N-E-R.

Q. Okay what's your phone number?

A. 605-255-5750.

Q. And your home address?

A. 72 Fairgrounds Place, Hermosa.

Q. Okay and um do you have a cell phone number?

A. Yes ah 890-1357.

Q. Okay what's your date of birth?

A. Ah June 22<sup>nd</sup> 1943.

Q. Are you married?

A. Yes.

Q. What's your wife's name?

A. Carol.

Q. And what's your occupation?

JP  
9/24/2018

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Carl Oberlitner  
Policy: A090314P00  
Page 2 of 5

A. Ah I'm, I guess maybe retired I have been in several businesses throughout ah my life span. I was concessionaire at ah Wind Cave National Park for around 25 years. I built and owned and operated a bowling alley in Hot Springs which I sold ah in 2010. Tried to retire and ah got involved in a little saloon in Hermosa. Moved to Hermosa ah I've been there Hot Springs ah for about ah 14, 15 years and kind of enjoyed, enjoyed that but also enjoyed moving away from it ah a lot of stress goes along with that. Um other than that I was raised on a farm out near Gettysburg, South Dakota.

Q. Okay. How do you know Leonard Gregerson?

A. Just ah socially he came into ah the bar there in Hermosa that's where I met him initially um and been invited down to brandings and such on his ranch.

Q. Okay and um are you a business partner with him or how are you guys involved in regards to his cattle?

A. Ah he'd say kind of a—I, I don't know what I'd call it; it's not a formal partnership at all. It's ah I loaned or provided the money to buy ah cattle and ah, ah there'd be a reward for me at the end of the deal if everything turned out okay.

Q. Okay and when did you loan this money to him?

A. Ah it provided in ah, ah January ah starting in January of this year, 2014 and then periodically throughout the summer.

Q. Okay how much have you loaned to him?

A. Ah approximately \$330,000.

Q. Okay and then what, what's the stipulation then um—how do you get reimbursed or when, when does that happen?

A. Ah I get reimbursed on the sale of the, the cattle and um that's, yeah that's when I get paid back.

Q. Okay, okay and can you walk us through um to what you know about these cattle that he's purchase and sent up there, were you involved with the purchase of the cattle or?

A. Well I was involved from the standpoint that I you know provided the funding and so forth but ah he, he bought the cattle from a fellow ah down in Nebraska who had bought these ah or had ah, ah sources up in Montana. They came from Montana and ah they were ah, brought to Leonard's ranch there ah near



Carl Oberlitner  
Policy: A090314P00  
Page 3 of 5

Fairburn. That's where they were dropped and ah, ah Leonard ah um then had them transported ah oh within a couple of weeks it seems like, I kind of forget just exactly time tables but within a couple of weeks of that why they were taken up to ah, ah Carl Knutson's dad's place there east of Vail where they were calved um the, ah it was kind of impressive to myself because ah where'd they'd taken them initially ah they had a terrific corn crop the year prior and of course in October of 2013 with that storm with the massive snow storm there that corn all kind of fell down so they were unable to harvest it so this was kind of the calving area and the area those cattle went so they did very well and looked nice and then ah later the latter part of May or early June why he ah, ah Carl moved them from ah that home building site or the whole place out onto this ah, um grazing land east of Sturgis.

Q. You, you know how many cows were brought up to Knutson's place?

A. 134.

Q. Okay and do you know what kind of cows they were?

A. They were ah for the most part Angus, they were black.

Q. Okay.

A. There was—there was a couple of baldies in there but for the most part it was Angus.

Q. Do you know how many calves were bred out there?

A. How many of the cows were bred?

Q. Or how many calves came or were born out there?

A. Not exactly ah I know that Carl ah had ah shared with me a log that he was doing when he was—when the calves were born and ah he had ear tags that he was putting on the calves and he was matching them up with the cows and ah so he was keeping a daily diary of what was happening.

Q. Okay and then when did you find out that there were some cows or calves missing?

A. It would have been ah when they were returned back to Leonard's place in, in about the 10<sup>th</sup> of October and ah at that time why there was ah there was only ah 95 calves and ah then there was ah, ah I think 112 or so cows that had

Carl Oberlitner  
Policy: A090314P00  
Page 4 of 5

came from up north because Leonard had ah kept two and that ah he had also picked up five dry cows up there.

Q. Okay so how many cows do you think were missing and how many calves were missing?

A. Ah cows ah we're pretty certain or I'm pretty certain there's 15 cows and calves ah based on branding was ah 122 there was 95 brought back to Leonard's place ah person also has to ah be aware that there was ah 134 cows initially went up there so ah I'm not 100% sure how many calves—what percentage you should have a calf crop but ah there was ah undoubtedly 12 calves or cows that had lost calves based on that point to when the branding was and whether or not that a realistic or ah common I would guess it probably is it's you know about a 10% loss with the calving process.

Q. Okay do you have an idea on the value of the cows or the calves?

A. Ah well calves ah based on the recent sale was almost 1600 ah, ah an average ah and then the cows. I know that there's guesstimates around \$2800 for, for the cows if they're ah pregnant; if they're not why I know that ah just recently some ah, ah cows that were ah open and ah were elderly very old, they call them broken jaw or broken mouth sold for right at \$2,000. So they are very expensive so I'd say ah the cows that are missing if they were bred they'd be worth ah upward to \$3000.

Q. Okay. Okay and then all, all the calves that came back have those all been sold then?

A. Ah there's a couple of scrubs that weren't but yeah they were.

Q. Okay and um have you ever heard of anyone that had difficulties with the Knutson's before with, with cattle being run on their ah pasture and disappearing or?

A. Ah innuendos but no I really haven't.

Q. Okay. Okay and then what do you feel happened to the cows and the calves?

A. It's real mysterious ah it's hard to imagine ah a, ah death loss simply because there's no evidence. I know that ah we had encountered one that had been struck with lightning and I mean poor devil it killed it instantly but here it was, it was laying there so I mean, there's no question in my mind that ah there, they have to be someplace and ah whether they wandered off onto a neighbor and they just haven't gotten back it's hard for me to even imagine that because of the price and the value of cattle ah for the neighbors ah, ah their integrity—ah I

Carl Oberlitner  
Policy: A090314P00  
Page 5 of 5

come from a background where people go out of their way to see that things like that are returned because ah, ah hoping it will never happen to them.

Q. So do you, do you have any feeling of who you think could have taken the cattle or?

A. That I really, you know I'd hate point a finger at anybody but ah you have to think of the person that is in custody of em ah he would be—he'd have the better idea than anyone.

Q. Okay. okay Is um—do you know um if there was a sheriff's ah report filed or do you know if anybody spoke to the sheriff?

A. Yes ah, ah Leonard's wife and, and his son Kyle ah went to the sheriff's office in Meade County.

Q. Okay and then um is there anything else about this that you think is important for us to understand?

A. No, it just kind of a sad deal and it is unfortunate because everything else really seems to work nice you know and I feel bad about this. Ah I have a brother that ah has got an awful lot of cattle. He has upward of 1500 head of cows and ah over the years I only know of ah 7 or 8 cows that turned up missing on his and his is ah he lives there at Gettysburg but ah he ranches or I mean he um employs grazing over around on the Indian Reservation there in Cheyenne over around Isabel and Dupree areas and ah these are remote, very remote areas but ah people—there just seems to be a lot of integrity in the ranching community so I don't know. It bothers a guy.

Q. Sure, sure. Have you understood all my questions?

A. I think so.

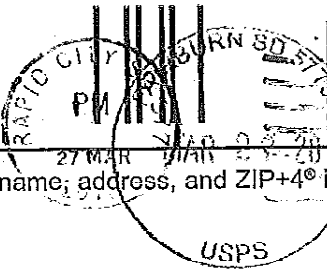
Q. Have all your answers been true and correct to the best of your knowledge?

A. Best of my knowledge yeah.

Q. Thank you very much for your time and I'll turn off the recording.

A. Thank you.

UNITED STATES POSTAL SERVICE

First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10


• Sender: Please print your name, address, and ZIP+4® in this box.

FARM BUREAU CLAIMS  
BOX 1397  
HURON, SD 57350

DeFea #A090314P00

APR 02 2015

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Leonard & Patty Gregerson  
13765 Lane Jonny Rd  
Fairburn SD 57738

**COMPLETE THIS SECTION ON DELIVERY**

## A. Signature


☐ Agent☐ Addressee

## B. Received by (Printed Name)

Leonard Gregerson

## C. Date of Delivery

3-27-15

D. Is delivery address different from item 1? ☐ YesIf YES, enter delivery address below: ☐ No

APR 02 2015

## 3. Service Type

☒ Certified Mail®☐ Priority Mail Express™☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ Collect on Delivery

## 4. Restricted Delivery? (Extra Fee)

☐ Yes

## 2. Article Number

(Transfer from service label)

7012 3460 0002 1445 1493

PS Form 3811, July 2013

Domestic Return Receipt



## Final Casualty E-Report

**Date of Current E-Report:** February 22, 2017  
**Current E-Report Prepared By:** Jim DeFea  
**Date of Initial E-Report:** October 20, 2016  
**Initial E-Report Prepared By:** Jim DeFea  
**Business Center:** SDBU  
**BCCC:** Drew Van Woert  
**CCC:** Charles Petrik

**Any other Farm Bureau Policies with Potential Coverage for this Claim:** No  
**Primary Excess**  
**If Yes, Give Policy Type, Policy Number, Claim Number, Adjuster, and BCCC:**

.....

### POLICY INFORMATION

**Policy #:** 7936007  
**Claims #:** A090314P00  
**Date of Loss:** 10/17/14  
**Time of Loss:** PM  
**Date Loss Reported to FBL:** 11/21/14  
**Effective Policy Dates:** 5/16/14 to 5/16/15  
**Agent:** Pam Green  
  
**Named Insured:** Leonard Gregerson  
**Coverage:** OTHER  
**Coverage Limit:** \$140,000.00  
**Umbrella:** No  
**Umbrella Coverage Limit:**

**Explain Any Coverage Issues/Additional Coverages/Duplicate Coverages: Livestock scheduled under blanket coverage. Insured turned over for custom feeding and contracted feeder converted portions of herd to his own use.**

Livestock is covered for special perils limited to named 1-10, 30 & 31. On P-3 this livestock is shown listed as covered by class, it is in effect "scheduled". Therefore it is subject to conditions in both the general sections and the property sections as shown below.

#### Special Causes Of Loss

When the Declarations indicate that Farm/Ranch Personal Property is insured for Special Causes of Loss, the following additional provisions apply.

#### Livestock

If insured under this module, we cover "livestock" only for losses "caused by" the Named Causes of Loss numbers 1 through 10, 30 and 31.

**Additional Causes Of Loss**

**31. Loss to Livestock.** We cover direct physical loss to covered "livestock" "caused by":

- a. Accidental Shooting. We do not cover under this cause of loss shootings by any "insured" or your employees or tenants;
- b. Attack by Dogs or Wild Animals. We do not cover loss caused directly or indirectly by fright or by dogs owned by any "insured";
- c. Collapse, meaning collapse of buildings, bridges or culverts;
- d. Drowning, from external causes, including flood, except for "livestock" under 15 days old;
- e. Electrocution; or
- f. Loading or Unloading accidents resulting in their death and occurring while they are being loaded or unloaded from vehicles other than contract carriers.

**Named Causes Of Loss Index****10. Theft**

There is no coverage for:

- g. Loss of "farm/ranch" personal property or "business" personal property by losing, misplacing, mysterious disappearance or where the only evidence of loss is a shortage disclosed upon taking inventory.

**Scheduled Personal Property Module**

There is no coverage for loss to "livestock" "arising out of":

- A. Fright, or as the direct or indirect result of fright, however caused;
- B. "Suffocation" or "smothering"; or
- C. Escape, wrongful conversion, or embezzlement.

Livestock/Poultry							
Type	Item Type	Item Description	%Own	Qty	Unit Value	ACV	*Fre
Scheduled	Horses/Ponies	Kyles horses	100	2	5,000	10,000	YES
Scheduled	Stock, Bulls	bulls	100	10	6,500	65,000	YES
Scheduled	Stock, Calves/Ste...	calves	100	175	800	140,000	YES
Scheduled	Stock, Cows/Heifers	cow/heifers	100	175	1,500	262,500	YES
Scheduled	Stock, Cows/Heifers	Kyles cows/heifers	100	180	1,500	270,000	YES
Scheduled	Stock, Calves/Ste...	Kyles calves	100	180	800	144,000	YES
Scheduled	Stock, Bulls	kyles bulls	100	6	6,500	39,000	YES

.....

**WATCH LIST AND OTHER REPORTING**

**WATCH LIST / REINSURANCE / ERRORS & OMISSIONS (E&O) / REFORMATION**

<b>Watch List Notified:</b>	Yes	<b>Date Notified:</b>	10/21/16
<b>Watch List Qualifying Criteria:</b>			
<b>Watch List Code:</b>		<b>Date Last Updated:</b>	
<b>Watch List Closed:</b>		<b>Date Closed:</b>	
<b>CCC Notified:</b>		<b>Date Notified:</b>	
<b>Reinsurance Notified:</b>	No	<b>Date Notified:</b>	
<b>Reinsurance Claim #:</b>			
<b>Retention Amount:</b>			
<b>Recovery Amount:</b>		<b>Recovery Date:</b>	
<b>Reinsurance Closed:</b>		<b>Date Closed:</b>	
<b>E&amp;O Committee:</b>	No	<b>Claim #:</b>	
<b>Committee Decision:</b>			
<b>Reformation Committee:</b>	No	<b>If "Yes", Date:</b>	
<b>Reformation Decision:</b>			

**BAD FAITH (BF) / EXTRA CONTRACTUAL OBLIGATIONS (ECO)**

<b>BF / EC Alleged:</b>	No	<b>If "Yes", Date:</b>
<b>Who Alleged, How Communicated, and Allegations Made:</b>		

<b>ICPL Carrier:</b>	
<b>Carrier Notified:</b>	<b>If "Yes", Date:</b>
<b>Notified by:</b>	
<b>ICPL Updates:</b>	

.....

**LOSS DESCRIPTION**

<b>Location of Loss:</b>	Meade County SD
<b>Detailed Loss Description:</b>	Insured contracted with custom feeder to finish cattle. Insured delivered portions of herd to custome feeder who then converted a portion of that herd for his own use. Conversion of herd took place over a several month timespan and the custom feed llot was located a hundred miles from insured premises.
<b>Names of all Potential Insureds under Farm Bureau policies who have Potential Liability Exposures:</b>	<b>Relationship to Named Insured:</b>
<b>Aggravating Issues:</b>	No <b>BAC:</b>
<b>Police Photos Available:</b>	<b>If "Yes", Have They Been Obtained:</b>
<b>Citation(s) Issued To:</b>	<b>For:</b>
<b>Disposition of Citation:</b>	
<b>Scene Photos Obtained:</b>	
<b>Statements Obtained from all Parties including Witnesses Identified in Police Report:</b>	

Yes (Insured)

**Non-Waiver Agreement:** Yes      **If “Yes”, Date Signed:** 11/24/14  
**Reservation of Rights:**      **If “Yes”, Date Sent:**

**Other Party Responsible:**      **If “Yes”: Name**  
   **Insurance Company**  
   **Coverage Limit:**  
**SIU Notified:** Yes      **Asset Check Completed:**  
   **Reason:**

**Liability Analysis of all Involved Parties:** Coverage determination

.....

### INJURED PARTY INFORMATION

**Line Number:** 01  
**Name of Injured Party:** Leonard Gregerson  
**Address:** 13765 Lane Johnny Rd,  
Fairburn SD 57738  
**Occupation:** Rancher  
**Marital Status:** Married  
**Spouse Name:** Patty

### INJURY BREAKDOWN

**FRPP Claimed:** \$85,439.00  
**FRPP Documented:** Yes

**Paid Amounts:** \$0.00  
**Total Specials:** \$85,439.00

**Additional Comments:** Lost livestock: The insured feels the value of the cows are \$2850 each and they weighed 1450 lbs. each 15 @ \$2850 is \$42,750

The insured lost 27 calves and the just sold calves at \$1587 each. The calves weigh 570lbs on average. 27 calves @ \$1587 is \$42,849.

Total claimed is \$85,439.00

### PLAINTIFF ATTORNEY IDENTIFICATION

**Attorney Name:** Dan Holloway  
**Firm:** Abourezek Law Firm  
**Address:** PO Box 9460, Rapid City SD 57709  
**Phone #:** 605-342-0097





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## RESERVES/EXPENSE/STRATEGY

### RESERVE HISTORY

**Claimant:** Leonard Gregerson

**Initial Reserve (Numerical only):** \$t.00

<u>Current Reserve:</u>	<u>Date Changed:</u>	<u>Reason for Change:</u>
\$500.00	10/1/16	reopened

Authority Needed?

Who?

**Reserve Deviation Required:** No **Date Notified:**

### NEGOTIATIONS

**Claim Value Range:**

to

**Authority Requested:**

**Authority Granted:**

**by:**

Demand:

Date:

Offer:

Date:

**Personal Liability Exposure Letter Needed (Include All Insureds):** No Yes/No  
**Date Notified:**

**Settlement Amount:** \$53,720.00

**Structures Presented:**

### ALTERNATIVE DISPUTE RESOLUTION (ADR)

**ADR Attempted:** No **Date:**

**Pre-Suit ADR:**

**Mediator:**

**Demand Going In:**

**Offer Going In:**

**ADR Result:**

**If Settled, Amount:**

**ADR Expense:**

**Total LAE Including Attorney Fees:**

**LAE Avoided:**

**ADR Comments:**

## LITIGATION HISTORY

**Claim System Coded to Litigated:** N/A      **Date:**  
**Case Name:** v.  
**Cause for Suit:** (Liab, Dmgs, SOL, etc.)  
**LSS Matter #:**  
**Date Suit Filed:**  
**Date of Service:**  
**Answer Date:**  
**Court Venue:**  
**Close of Discovery Motion Date:**  
**Dispositive Motion Date:**  
**Pre-Trial Date:**  
**Trial Date:**  
**Damages Pled:**  
**Resolution:** Amount:  
**Date Suit Closed:**

**Defense Attorney:**  
**Firm:**  
**Address:**  
**Phone #:**

**TOTAL LAE INCURRED TO DATE:** \$0.00  
**ESTIMATED FUTURE LAE:** \$0.00

**TOTAL INDEMNITY INCURRED TO DATE AND TYPE:**  
\$0.00

## UPDATES:

10-21-16:

See attached correspondence and claim file. Insured attorey requested written response to position on coverage.

2/22/17

Claim has concluded with settlement reached with insured and his attorney in the amount of \$53720.00


Paid final legal billing to Lynn Jackson, closed file.

Closing LSS as well.

**\*\*ATTACH ANY PHOTOS UNDER SEPARATE FILE\*\***

To: P3WorkflowIMAP <p3workflowimap@fbfs.com>  
  
From: SD Storm Claims <SDStormClaims@FBFS.com>  
Sent on: 02/05/2015 11:11:38 AM  
Subject: A090314P00

**From:** Megan Frasier  
**Sent:** Wednesday, February 04, 2015 10:04 AM  
**To:** SD Storm Claims; DJ Wittrock; Monte McQuigg; Jim Defea; Michael Elliott; Rich Duryea  
**Subject:** Gregerson #7936007

I attached a statement from the investigator at Meade County Sheriff's Office on the Gregerson  claim from October 2014 policy#7936007 claim #A090314P00.  
Thanks,

**Megan J Frasier**

Service Associate  
Farm Bureau Financial Services  
109 N Chicago St #2  
Hot Springs, SD 57747  
(605)745-4868  
(605)745-4808 fax  
Megan.Frasier@fbfs.com

Farm Bureau Property & Casualty Insurance Company+\*  
Western Agricultural Insurance Company+\*  
Farm Bureau Life Insurance Company+\*  
+Affiliates \*Company providers of Farm Bureau Financial Services

Attachments:  
Gregerson Investigator Statement.pdf

**Michael Elliott**

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**From:** Gregerson, Kaycie Jay <Kaycie.Gregerson@coyotes.usd.edu>  
**Sent:** Wednesday, November 26, 2014 5:47 PM  
**To:** Michael Elliott  
**Subject:** Regarding Karl Knutson

Mike,

It wouldn't let me attach it so I snipped it into this email. We are missing 15 cows and 27 calves from this whole ordeal. Thank you for your time.

Sincerely,

Kaycie Gregerson

## Chronological order of events related to missing cattle

Dates	Events
1/22/14 and 1/30/14	Bought cattle from B & W Land and Cattle Company. The gentleman's name is Charlie Foster.
02/10/2014	Carl Oberlitner paid his first part of his lease and this was a day before the cattle were transported and put into Karl Knutson's care.
02/11/14	3 cattle trucks arrived at Karl Knutson's place. The trucker's names are Glen Johnson, Dewey, and Mark Phillips. The cattle were unloaded at his father's place (Dale Knutson) and his father and mother were instrumental in calving out and taking care of the cows and calves.
02/27/14	Karl was paid.
04/13/14	Karl was paid.
05/08/14	Karl was paid.
05/29/14	On this day, we branded 122 head of calves. The names of the people that we brought as help are: Kasey Hockett, Gene Ferguson, Glen Johnson, Daryl Ferguson, Ted Williams, Roger Downen, Herman Buckley, John Peck, Tom Coolahan, Tanner O'Daniel, Don Quinn, Duke Buffington, Kaycie Gregerson, Kyle Gregerson, Leonard Gregerson, and Carl Oberlitner. This branding took place after Karl had hauled (with his own truck and "counted" them on his own) the cattle to summer pasture next to Millar's place. So there was no an accurate count of the precise head of cattle. Karl had "help" (Seth Monson, Dewey O'Dea, and Brad Montague) for the branding.

06/04/14	Karl was paid.
09/15/14	On this day, the cattle were given their fall vaccinations (preconditioning). The people that were there to help were: Clint Goodman, Leonard Gregerson, Kyle Gregerson, Carl Oberlittner, and Karl Knutson.
09/22/14	Spent the whole day of September the 22 <sup>nd</sup> looking for our missing cattle, which were never found. Karl Knutson stated that he was

	going to hire a pilot to fly him over to look for our cattle. He said that he couldn't see them and that they could be in the trees (there aren't any trees even remotely close to the area).
10/04/14	Went to look for our cattle when Karl wasn't there. Once again there wasn't any sign of our cattle. This is the first and only time that we were permitted on the place without him, which was very suspicious to us.
10/08/14	This is the day before we brought our cattle back home and Leonard Gregerson, Kyle Gregerson, and Kaycie Gregerson went and moved the cattle, that were left, into the pasture where they would be loading them out. We then also went and looked for our missing cattle that day, and once again, came out empty handed.

10/09/14	Hauled what was left of our cattle home. There were 95 calves and 113 cows. The truckers that hauled for us were Glen Johnson (he made 2 trips that day), Rory Ruddloff, and Paul Mandelko.
10/23/14	On the 23 <sup>rd</sup> of October, Kyle Gregerson, Duke Buffington, Tanner O'Daniel, and Leonard Gregerson left with 3 big stock trailers, to Vale, to haul our cattle home that Karl Knutson claimed that he found. Upon their arrival, there weren't any cattle in sight and he claimed that he didn't know what happened to them because "They were right here". All 3 trailers came home empty, again.
11/03/14	10:16 AM a recorded voicemail from Karl Knutson about bringing the insurance adjuster to check everything out up around the Vale area. The message is still recorded on Leonard Gregerson's phone.

This is purely heresay, but a brandinspector for St. Onge Sale Barn (William Davies) claimed that Karl Knutson had shown up one morning of a sale with 11 black angus un-branded baby calves. Karl claimed that his cattle had 11 sets of twins, which made everyone involved suspicious.

In summary, two cows were left here at the Gregerson ranch. One cow had lost her calf and the other one had a calf that was too young to transport. When the trucks arrived at Vale to Karl

Knutson's care, there was a cow that had died while in transport. There was a calf that was born and not branded yet that had died from being hit by lightning, and proof (carcass) was shown. The next week, Karl brought 5 dry cows home that had "lost calves" (which was never proven).

## First Notice of Loss

Snapshot Date	11-21-2014
Snapshot Time	12:26 PM
Claim Number	A090314P00

### Policy Information

Policy Number	7936007
Policy Status	In Force
Effective Date	05/16/2014
Expiration Date	05/16/2015
Policy Type	Personal
Producer Name	PAMELA GREEN
Producer Phone	(605)-745-4868

### Coverage Information

Covered Item	13765 LAME JOHNNY RD, FAIRBURN, South Dakota, Custer County, United States, 57738-5028.								
Coverage Type	Coverage Level	Limits	Ded.	Ded. Type	Currency	Parent Limit	Parent Ded.	Min Ded.	Max Ded.
Livestock Freezing or Smothering:	Per Occurrence	1500	0		USD	0	0	0	0
Scheduled Farm Prsnl Property:	Per Occurrence	262500	1000	1	USD	0	0	0	0

Covered Item	13765 LAME JOHNNY RD, FAIRBURN, South Dakota, Custer County, United States, 57738-5028.								
Coverage Type	Coverage Level	Limits	Ded.	Ded. Type	Currency	Parent Limit	Parent Ded.	Min Ded.	Max Ded.
Livestock Freezing or Smothering:	Per Occurrence	800	0		USD	0	0	0	0



Scheduled Farm Prsnl Property:	Per Occurrence	140000	1000	1	USD	0	0	0	0
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**Policyholder**

**Full Name** LEONARD GREGERSON  
**Address** 13765 LAME JONNY RD, FAIRBURN, South Dakota, United States, 57738.  
**SSN/TIN** \*\*\*-\*\*-3956

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**Loss Details**

**Date of Loss** 10/17/2014  
**Time of Loss**  
**Date Reported** 11/21/2014  
**Reported By** Agent  
**Person who reported the claim**  
**Reported To** Will Roeber  
**Storm Loss** False  
**Person who reported the claim** SA Megan  
**If there is a contact for the insured :**  
**Loss Type** Auto-Property  
**Cause Of Loss** Property Damage  
**File Type** Normal  
**Claim Group**  
**Loss Description** Insured best # 605-255-4609. 15 cows and 27 calves were stolen from the insured's property, caller does not know of any evidence other than inventory shortage.

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**Loss Location**

**Intersection** No  
**Address** Sturgis, South Dakota, United States.  
**Location Description**

---

**Key Facts**

**Who / What?**  
**Where?**  
**Did What?**  
**To Whom / What?**  
**If the Third Party has Insurance:**  
**Where?**  
**Was there any damage to another party's property?**  
**Was anybody injured?** No

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If there was any faulty product or workmanship involved in the incident, what was the product or workmanship?

Were there any witnesses? No

If authorities were at the scene or contacted, what was the Authority Name?

Meade County Sheriff

If authorities were at the scene or contacted, what was the Report Number?

14-10398

Additional Comments

Is there a third party responsible for this loss?

What is the property loss?

### Property Damage / Other Liability

Identifying Description cow/heifers

Address 13765 LAME JOHNNY RD, FAIRBURN, South Dakota, Custer County, United States, 57738-5028.

Damages Description 15 cows missing, presumed stolen.

Do you want to add detailed damages?

Can the property be occupied?

Additional Living Expenses

Is the damaged property borrowed or rented?

What is the livestock count? 15

What is the assignment complexity? Moderate

Coverage Type - 1 Scheduled Farm Prsnl Property

Type of Loss - 1 Theft - on premise

Cause of Loss - 1 Theft - on premise

Coverage Type - 2

Type of Loss - 2

Cause of Loss - 2

Coverage Type - 3

Type of Loss - 3

Cause of Loss - 3

### Damage Detail

Applicable To cow/heifers

Damage Category

Damage Detail

Description

Claimed Amount 0

Estimated Amount 0

Actual Amount 0

Repair Start Date

Repair End Date

### Property Damage / Other Liability

Identifying Description calves

Address 13765 LAME JOHNNY RD, FAIRBURN, South Dakota,  
Custer County, United States, 57738-5028.

Damages Description 27 calves missing, presumed stolen

Do you want to add detailed damages?

Can the property be occupied?

Additional Living Expenses

Is the damaged property borrowed or rented?

What is the livestock count?

What is the assignment complexity? Moderate

Coverage Type - 1 Scheduled Farm Prsnl Property

Type of Loss - 1 Theft - on premise

Cause of Loss - 1 Theft - on premise

Coverage Type - 2

Type of Loss - 2

Cause of Loss - 2

Coverage Type - 3

Type of Loss - 3

Cause of Loss - 3

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#### Damage Detail

Applicable To calves

Damage Category

Damage Detail

Description

Claimed Amount 0

Estimated Amount 0

Actual Amount 0

Repair Start Date

Repair End Date

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#### Contact Information

##### Preferred Name

Name KYLE GREGERSON

Type Legal

Description

---

##### Preferred Address

Address 13765 LAME JONNY RD, FAIRBURN, South Dakota, United  
States, 57738.

Type

Description

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**Preferred Phone**

Phone 6052098722  
Ext  
Type Home - Voice  
Description

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**Preferred E-Mail**

E-Mail Address  
Type  
Description

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**Roles**

Roles Insured

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**Injury Details**

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**Preferred Name**

Name LEONARD GREGERSON  
Type Legal  
Description

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**Preferred Address**

Address 13765 LAME JONNY RD, FAIRBURN, South Dakota, United States, 57738.  
Type  
Description

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**Preferred Phone**

Phone 6052554609  
Ext  
Type Home - Voice  
Description

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**Preferred E-Mail**

E-Mail Address  
Type  
Description

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**Roles**

Roles Claimant, Driver, First Named Insured

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**Injury Details**

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**Preferred Name**

Name FIRST NATINAL BANK OF GORDON  
Type  
Description

---

**Preferred Address**

Address P O BOX 290, GORDON, Nebraska, United States, 69343.  
Type Business  
Description

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**Preferred Phone**

Phone  
Ext  
Type  
Description

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**Preferred E-Mail**

E-Mail Address  
Type  
Description

---

**Roles**

Roles Mortgagee

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**Injury Details**

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**Preferred Name**

Name PAMELA GREEN  
Type  
Description

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**Preferred Address**

Address % FARM BUREAU OFFICE, 109 N CHICAGO ST #2HOT  
SPRINGS SD,, United States, 57747-0000.  
Type Business  
Description

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**Preferred Phone**

Phone 6057454868  
Ext  
Type Other  
Description

---

**Preferred E-Mail**

E-Mail Address  
Type  
Description

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**Roles**

Roles

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**Injury Details**

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**Preferred Name**

Name KAYCIE GREGERSON  
Type Legal  
Description

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**Preferred Address**

Address 13765 LAME JONNY RD, FAIRBURN, South Dakota, United States, 57738.  
Type  
Description

---

**Preferred Phone**

Phone  
Ext  
Type Other  
Description

---

**Preferred E-Mail**

E-Mail Address  
Type  
Description

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**Roles**

Roles Insured

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**Injury Details**

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**Preferred Name**

Name GE CAPITAL  
Type  
Description

---

**Preferred Address**

Address 332 MINNESOTA ST, SUITE W 600, ST PAUL, Minnesota,  
United States, 55101.  
Type Home  
Description

---

**Preferred Phone**

Phone  
Ext  
Type  
Description

---

**Preferred E-Mail**

E-Mail Address seema.prabhu@fbfinancial.com  
Type  
Description

---

**Roles**

Roles Other

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**Injury Details**

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**Preferred Name**

Name FORD MOTOR CREDIT  
Type  
Description

---

**Preferred Address**

Address BOX 390910, MINNEAPOLIS, Minnesota, United States,  
55439-0910.

---

Type Home  
Description

---

**Preferred Phone**

Phone  
Ext  
Type  
Description

---

**Preferred E-Mail**

E-Mail Address seema.prabhu@fbfinancial.com  
Type  
Description

---

**Roles**

Roles Other

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**Injury Details**

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**Preferred Name**

Name UNION BANK & TRUST  
Type  
Description

---

**Preferred Address**

Address PO BOX 82535, LINCOLN, Nebraska, United States, 68501-2535.  
Type Home  
Description

---

**Preferred Phone**

Phone  
Ext  
Type  
Description

---

**Preferred E-Mail**

E-Mail Address seema.prabhu@fbfinancial.com  
Type  
Description

---



**Roles**

Roles Other

**Injury Details****Preferred Name**

Name PATTY GREGERSON  
Type Legal  
Description

**Preferred Address**

Address 13765 LAME JONNY RD, FAIRBURN, South Dakota, United States, 57738.  
Type  
Description

**Preferred Phone**

Phone  
Ext  
Type Other  
Description

**Preferred E-Mail**

E-Mail Address  
Type  
Description

**Roles**

Roles Insured

**Injury Details****Preferred Name**

Name BANK OF AMERICA  
Type  
Description

**Preferred Address**

Address 4001 W 41ST STREET, SIOUX FALLS, South Dakota,  
United States, 57101.

Type Business

Description

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**Preferred Phone**

Phone

Ext

Type

Description

---

**Preferred E-Mail**

E-Mail Address

Type

Description

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**Roles**

Roles Other

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**Injury Details**

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Date	Type	Title	Description	Attachments
8/2/2018 16:30	File Notes	File reassigned to Crystal Kaus	File reassigned to Crystal Kaus to handle pending lawsuit  From: Kevin McCoy Sent: Wednesday, July 18, 2018 1:18 PM To: Jim Defea <jim.defea@fbfs.com>; Drew Van Woert <drew.vanwoert@fbfs.com> Cc: Mike Ensley <Mike.Ensley@fbfs.com> Subject: FW: Gregerson Complaint - Claim # A090314P00  Jim and Drew, As you can see, we received notice of this new suit. There is a count for Bad Faith. We will need an updated E-report.  Jim, I attached the last version that I had. It was dated 2-22-17.  We will be scheduling a conference call soon.  Thank you  From: Lana Deering Sent: Wednesday, July 18, 2018 11:03 AM To: Mike Ensley <Mike.Ensley@fbfs.com>  Cc: Karl Olson <Karl.Olson@FBLFinancial.com>; Janet Reiter <janet.reiter@fbfs.com>; Kevin McCoy <kevin.mccoy@fbfs.com> Subject: Gregerson Complaint  Please find attached a copy of the Gregerson Complaint which was filed against Farm Bureau Property & Casualty Insurance Company in the U.S. District Court for South Dakota. Service on Farm Bureau was accepted by the South Dakota Insurance Commissioner on July 16, 2018. It is a first-party property loss claim arising out of the alleged theft of cattle. The Complaint alleges breach of contract and bad faith and includes a claim for punitive damages based on alleged improper claims handling. There is also a request for attorney's fees. This lawsuit needs to be reported to both the Watch List and the Bordereau.  I will interoffice a hard copy as well today.  Lana S. Deering Legal Assistant Parker & Gadelmann, P.L.L.C 5400 University Avenue, West Des Moines, IA 50266 Ph: 515-225-5649   Fax: 515-453-3324	
7/18/2018 14:00	File Notes	New Law Suit - Gregerson v. FB		
7/18/2018 13:20	File Notes	Email - 07/18/18	7/18/2018	Email-pdf
7/18/2018 13:19	File Notes	Email - 07/18/18 - Closing E-Report - Gregerson, A	07/18/18 - Closing E-Report - Gregerson, A090314P00 , 2-22-17.docx	Closing E-Report - Gregerson, A090314P00 , 2-22-17.docx
7/18/2018 13:19	File Notes	Email - 07/18/18 - Gregerson Complaint.pdf	07/18/18 - Gregerson Complaint.pdf	Gregerson Complaint.pdf
6/16/2017 14:32	File Notes	Subro - Chaplin	NCS file #0000172226	

6/15/2017 14:26	File Notes	Subro - Chaplin	Sent to NCS to see if they can solicit any recovery. Paid: \$27,800 (01) + \$25,920 (02) + \$1,000 (deductible)	
6/1/2017 5:38	File Notes	Check101394664	Check	101394664-1469725-3-1156187-tif
5/31/2017 6:58	File Notes	Subro - Chaplin	Paid RYC for asset check.	
5/31/2017 6:55	File Notes	Email - 05/31/17		5/31/2017 Email-pdf
5/31/2017 6:55	File Notes	Email - 05/31/17 - z84272.542.pdf	05/31/17 - z84272.542.pdf	z84272-542-pdf
			No response on letter sent to US Attorney re: criminal case.	
4/19/2017 11:02	File Notes	Subro - Chaplin	Requesting assets check through RYC to see if suit is appropriate.	
			State: SD // SOL: 10-17-2020 // Claimant allegedly stole cows and calves from the insured. Pleaded guilty in court. Sentenced to a year in prison and three years probation. // Meade County Sheriff's Office, Case #5:15CR50064-1, Judge Jeffrey L. Viken, US Attorney, Benjamin Patterson, fax: 605-342-1108 // Will request restitution, but it may be too late to add that to his judgment. We may need to send to NCS. // Paid: \$27,800 (01) + \$25,920 (02) // Diary set for follow up.	A090314P00 - letter to US attorney.pdf
2/27/2017 8:09	File Notes	Subro - Chaplin		
2/24/2017 16:11	File Notes	Reopened Subro - Seeley	Subro assigned to Micah Chaplin	
2/23/2017 5:27	File Notes	Check101347886	Check	101347886-1416487-3-1102726-tif
			to Lynn Jackson, \$5716.39	
			Closing e-report loaded as well.	
			Sent the same to CCC, BCCC & PCM	
2/22/2017 9:01	File Notes	Paid final legal billing	Will advise subro our portion concluded and see if they wish to pursue person who allegedly stole critters.	final legal billing.pdf, E-Report - Gregerson, A090314P00, 2-22-17.docx
2/13/2017 10:11	File Notes	File remains open for final legal billing	File remains open for final legal billing	
1/25/2017 13:49	File Notes	Email - 01/25/17		1/25/2017 Email-pdf
1/25/2017 13:49	File Notes	Email - 01/25/17 - Holloway 1 24 17.PDF	01/25/17 - Holloway 1 24 17.PDF	Holloway 1 24 17-PDF
1/25/2017 13:49	File Notes	Email - 01/25/17 - DeFea & Petrik.pdf	01/25/17 - DeFea & Petrik.pdf	DeFea & Petrik-pdf
			Mr. Holloway had advised of some questions regarding the settlement and checks. We have reviewed and provided response to Mr. Fritz. He has in turn advised mr. Holloway of the result. All docs loaded in file.	Holloway.DOC, Holloway 1 17 17.PDF, Petrik DeFea 1 18 17.PDF, Holloway 1 23 17.PDF
1/23/2017 14:37	File Notes	Current		
1/23/2017 14:35	File Notes	Email - 01/23/17		1/23/2017 Email-pdf
1/23/2017 14:35	File Notes	Email - 01/23/17 - Holloway 1 23 17.PDF	01/23/17 - Holloway 1 23 17.PDF	Holloway 1 23 17-PDF
1/14/2017 6:21	File Notes	Check101330241	Check	101330241-1396764-3-1082851-tif
1/14/2017 6:21	File Notes	Check101330227	Check	101330227-1396750-3-1082836-tif
			See attachments	
1/13/2017 13:26	File Notes	Payments	Agreed we will issue the payments separately for the cows and the calves, deductible applies to cow loss. sending the Tom Fritz for forward to insured counsel.	Holloway 1 12 17.PDF, 1 5 17 Gregerson demand.PDF, Holloway 1 5 17 response with amount of damages claimed by Gregersons.PDF, Holloway 1 5 17.PDF, check cover.doc, Holloway response.PDF, Receipt of Payment and Release.pdf
1/3/2017 8:25	File Notes	Email - 01/03/17		1/3/2017 Email-pdf
1/3/2017 8:25	File Notes	Email - 01/03/17 - Judgment in a Criminal Case - K	01/03/17 - Judgment in a Criminal Case - Karl Knutson.PDF	Judgment in a Criminal Case - Karl Knutson-PDF
1/3/2017 8:25	File Notes	Email - 01/03/17 - Receipt for payment of Judgment	01/03/17 - Receipt for payment of Judgment by Knutson Irrigation Service for Karl Knutson.PDF	Receipt for payment of Judgment by Knutson Irrigation Service for Karl Knutson-PDF
1/3/2017 8:25	File Notes	Email - 01/03/17 - Variance Motion and Sentencing	01/03/17 - Variance Motion and Sentencing Memorandum - Karl Knutson.PDF	Variance Motion and Sentencing Memorandum - Karl Knutson-PDF
1/3/2017 8:25	File Notes	Email - 01/03/17 - Plea Agreement - Karl Knutson.P	01/03/17 - Plea Agreement - Karl Knutson.PDF	Plea Agreement - Karl Knutson-PDF
1/3/2017 8:25	File Notes	Email - 01/03/17 - Factual Basis Statement - Karl	01/03/17 - Factual Basis Statement - Karl Knutson.PDF	Factual Basis Statement - Karl Knutson-PDF

12/12/2016 8:26	File Notes	Reserve changes	Reserved to exposure \$50,000 each line. Coverage out to defense counsel for review and opinion.	
			Reviewed file with Charles. Discuss same POA as discuss with KM. Agreed to assigned to Tom Fritz at Lynn Jackson.	
10/25/2016 8:15	File Notes	PC CCC	Sending Tom certified copy of policy and copy of claim file. Opened in LSS.	
10/21/2016 11:27	File Notes	Conference call Jim Defea - KMM	Discussed this loss with Jim Defea today. Jim has suggested that we retain attorney, Tom Fritz, to respond to insured's atty. It was also suggest to file a dec action. I would agree with this course of action. CCC - Charles Petrik will be involved as well. KMM	
10/4/2016 15:35	File Notes	PC Holloway	Called Dan Holloway 605-342-0097, Dan was out LMTc.	
9/27/2016 9:07	File Notes	Ack rep letter	Letter to insured attorney	Gregerson rep ack.doc
			Reopened claim as insured is now being represented by the Abourzek firm out of Rapid. They have sent letter of rep. Responding to that letter.	
			Updating e-report and submitting to CCC for further discussion.	
			Have also alerted defense counsel of this representation, Lynn Jackson Schultz & Lebrunn. Have asked that they confirm no conflicts if we need for opinion or defense.	
9/27/2016 8:24	File Notes	Reopened claim		
6/14/2016 10:05	File Notes	Email - 06/14/16		6/14/2016 Email-pdf
6/14/2016 10:05	File Notes	Email - 06/14/16 - content.pdf	06/14/16 - content.pdf	content-pdf
			Insured has written to us asking for reconsideration of the initial coverage determination.	
			Reviewed the letter: it contains additional details but does not add any additional facts to reconsider the initial coverage decision.	
			Drafted letter to insured and explained original decision will stand.	
5/20/2016 15:36	File Notes	correspondence from insured	Sent copy of original letter to insured.	Gregerson.pdf, , follow up letter, 5-20-16.doc, , 2220_001.pdf
4/3/2015 8:43	File Notes	Certified letter rec'd by insured	Certified letter rec'd by insured	content[1] gregerson.pdf
4/2/2015 9:58	File Notes	Email - 04/02/15		4/2/2015 Email-pdf
4/2/2015 9:58	File Notes	Email - 04/02/15 - content[1].pdf	04/02/15 - content[1].pdf	content[1]-pdf
			Disclaimer of coverage reviewed with Kevin McCoy. Draft approved and sent to insured.	
3/25/2015 13:42	File Notes	Disclaimer	Closed file	DENIAL OR DISCLAIMER OF COVERAGE TO INSURED gregerson 3-26-15.doc
3/24/2015 16:25	File Notes	Email - 03/24/15		3/24/2015 Email-pdf
3/24/2015 16:25	File Notes	Email - 03/24/15 - content.pdf	03/24/15 - content.pdf	content-pdf
3/4/2015 10:04	File Notes	** SIU BILLINGTON CLOSING SUMMARY **	See attached pdf.	A090314P00 - CLOSING SUMMARY.pdf
3/4/2015 9:54	File Notes	** SIU BILLINGTON FOR CONTACT **	On 3/4/15 at 0948 hours, I called Field Claims Representative Mike Elliott. I learned Mike was out at training all week. I left a voice mail message, reviewing the investigation to this point, and next steps.	

3/4/2015 9:51	File Notes	** SIU BILLINGTON BCCC CONTACT **	On 3/4/15 at 0905 hours, I received a call from Business Center Claims Consultant Jim De Fea; we discussed the investigation to this point, and next steps.
2/27/2015 10:30	File Notes	** SIU BILLINGTON BCCC CONTACT **	On 2/27/15 at 1024 hours, I called Business Center Claims Consultant Jim De Fea and left a voice mail message for him, asking him to call me back.
2/27/2015 10:28	File Notes	** SIU BILLINGTON LAW ENFORCEMENT CONTACT **	I received a phone call from Investigator Williams of the Meade County Sheriff's Office a few minutes after I called him. Investigator Williams talked with me about his case, and said he believed it to be a cattle rustling, but was unable to prove it at this time.
2/27/2015 10:12	File Notes	** SIU BILLINGTON LAW ENFORCEMENT CONTACT **	On 2/27/15 at 1010 hours, I called Investigator Chris Williams of the Meade County Sheriff's Office. Investigator Williams' mail box was full, so I e-mailed him, and asked him to call me.
2/27/2015 10:09	File Notes	** SIU BILLINGTON BCCC CONTACT **	I was at the Sioux Falls Business Office on 2/25/14 and 2/26/14. Business Center Claims Consultant Jim De Fea and I talked about this claim, and next steps.
2/25/2015 9:45	File Notes	PC Insured	DJ,  I just got off the phone with Mr. Gregerson, 1 hour long conversation. He now understands there is no coverage for this claim. He was very polite on the phone and very nice. He did say to me that Pam promised him, when he came over from DaSmet, that "everything" is covered, he was adamant that was how the coverage was explained. He also said she did not encourage him to insure his cows to full value rather to put an average of what the ranchers in the area are insuring their livestock at, not the market value. He essentially confirmed with me the results of Mike's recorded statement. He agrees that the most likely scenario is that Knutson converted the livestock to his own use. I explained the below coverage limitations, specifically the loss upon the taking of an inventory. I advised him that since the Meade County Sheriff's office has not yet completed their investigation and not yet provided us with an official report that our disclaimer will be based on what we know to date. I told him when and if that report is available we would share the same with him and his counsel if he secures the same. He is not represented by counsel at this time. He has an attorney who he may talk to about the event and what his options are in light of the gap in coverage. I encouraged him to share our pending disclaimer and policy info with his attorney and for them to call me if they have any questions. Short of completion of the disclaimer and forwarding the same this matter should be concluded. I did not make any mention of a potential E & O but based on the conversations with Leonard the possibility exists that this is a potential. I will leave that to you and Monte to decide.
2/20/2015 7:48	File Notes	** SIU BILLINGTON BCCC CONTACT **	Business Center Claims Consultant Jim De Fea and I talked about this claim over the phone on the afternoon of 2/19/15. We reviewed the investigation, and discussed next steps.
2/19/2015 13:56	File Notes	** SIU BILLINGTON BCCC CONTACT **	On 2/19/15 at 1355 hours, I called Business Center Claims Consultant Jim De Fea, and left a message, asking him to call me on this matter.
			On 2/19/15 at 1209 hours, I called Investigator Williams of the Meade County Sheriff's Office, (MCSO). His voice mail was full.

2/19/2015 12:11	File Notes	** SIU BILLINGTON LAW ENFORCEMENT CONTACT **	I sent Investigator Williams an e-mail at 1209 hours, asking him to contact me on this matter.	
2/19/2015 12:01	File Notes	** SIU BILLINGTON ISO REVIEW **	Client/Member, (C/M), Leonard has 2 entries in the Insurance Services Organization, (ISO), database by name and Social Security Number, (SSN). C/M Patty has no entries by name and SSN.	
2/19/2015 11:52	File Notes	** SIU BILLINGTON P3 REVIEW **	The Client/Member, (C/Ms), Gregerson are in their 1st term with Farm Bureau, and have 2 losses, including this one.	
2/19/2015 10:51	File Notes	** SIU BILLINGTON FCR CONTACT **	On 2/19/15 at 1045 hours, I called Field Claims Representative Mike Elliott; we reviewed the investigation to this point and considered next steps.	
2/16/2015 15:08	File Notes	** SIU BILLINGTON INITIAL ACTION PLAN **	See attached pdf.	A90314P00 - INITIAL ACTION PLAN.pdf
2/16/2015 11:55	File Notes	** SIU BILLINGTON LAW ENFORCEMENT CONTACT **	On 2/16/15 at 1153 hours, I e-mailed an immunity exchange letter to Investigator Chris Williams of the Meade County Sheriff's Office.	
2/16/2015 11:51	File Notes	** SIU BILLINGTON FCR CONTACT **	On 2/16/15 at 1111 hours, Field Claims Representative Mike Elliott and I talked about this investigation over the phone, and discussed next steps.	
2/16/2015 10:52	File Notes	** SIU BILLINGTON LAW ENFORCEMENT CONTACT **	On 2/16/15 at 1050 hours, I called Investigator Chris Williams of the Meade County Sheriff's Office. Investigator Williams is conducting an investigation on this matter. Investigator Williams said he cannot discuss the specifics of this investigation without an Immunity Exchange letter.	
2/16/2015 10:41	File Notes	** SIU BILLINGTON FILE REVIEW/FCR CONTACT **	I let him know I could send him one, and would discuss this possibility with others involved in this matter.	
2/12/2015 18:30	File Notes	** SIU BILLINGTON ACKNOWLEDGEMENT **	On the morning of 2/16/15, I reviewed this claim. At 1040 hours, I called Field Claims Representative Mike Elliott, and left a message, asking him to call me.	
2/12/2015 14:57	File Notes	SIU REFERRAL TO JOHN BILLINGTON (M KENNEDY)	I received this case for review on 2/12/15 at 1434 hours.	
2/5/2015 11:17	File Notes	Email - 02/05/15	RECD NEW REFERRAL FROM JIM, RAN DATA BASE CHECKS FOR SI BILLINGTON (ISO, TLO AND GOOGLE CHECK ON KARL KNUTSON) EMAILED RESULTS TO SI BILLINGTON FOR FURTHER INVESTIGATION.	
2/5/2015 11:17	File Notes	Email - 02/05/15 - Gregerson Investigator Statemen	2/5/2015 Email-pdf	Gregerson Investigator Statement-pdf
2/5/2015 10:17	File Notes	Transcribed stmt of Carl Oberltnr.	02/05/15 - Gregerson Investigator Statement.pdf	Carl Oberltnr recd 2-04-2015.doc
2/5/2015 10:16	File Notes	Transcribed stmts of Leonard Gregerson.	Transcribed stmt of Carl Oberltnr. Transcribed by Jean Perkins.	Leonard Andrew Gregerson (3) recd 2-04-2015.doc, Leonard Andrew Gregerson (1) recd 2-04-2015.doc, Leonard Andrew Gregerson (2) recd 2-04-2015.doc
2/4/2015 12:28	File Notes	Stmt of Leonard Gregerson 1, 2, & 3, C. Oberltnr	Transcribed stmts of Leonard Gregerson. Transcribed by Jean Perkins.	Gregerson, Leonard 3.WMA, , Oberltnr, Carl.WMA, , Gregerson, Leonard 1.WMA, , Gregerson, Leonard 2.WMA
1/13/2015 15:06	File Notes	Spoke to insured	Stmt of Leonard Gregerson 1, 2, 3 & Carl Oberltnr is attached with this file note.	
			I spoke to the insured and explained to him that we are reviewing coverage and as soon as we make a decision we will be in contact with him. He again repeated that he feels Karl Kunetson stole his cattle. He also stated that he wants to be paid as soon as possible.	

1/13/2015 11:37	File Notes	Spoke to claimant Carrier	Spoke to Maureen Roberts at American family. She said that they are denying the claim because the cattle were in the care custody and control of their insured at the time of the loss. He also purchased a policy with them after the cows were missing. So he did not have a policy with them at the time of the loss. He told the adjuster not to worry because he was meeting with another adjuster Jason Welter of Farm Bureau America who told them that they were going to pay for everything. American family could not find this insurance company or adjuster and does not believe this to be a true statement. He previously had insurance with Desmit where he had 50 cows killed in a blizzard and that was denied. However they have not been able to find that he has had any insurance in the last year before he purchased a policy with them. <b>Maureen said that her insured has gone into hiding and is not returning phone calls.</b>	
1/9/2015 11:10	File Notes	Left message for Maureen Roberts	Left message for Maureen Roberts at American Family (800)692-6326 ext 58834 their claim 00-225-098682	
1/9/2015 11:02	File Notes	Called Nathan Tairud	I called Nathan Tairud who works for SIU for American Family (605)759-6013. He said that Karl Kunetson just opened up a policy with them on Oct 31st 2014 and tried to insure the Gregersons cows on the policy. This was after the cows were missing. SIU told us that they were not going to cover the loss because the policy was purchased after the date of loss. The Karl told SIU that was OK as he had another insurance company that would pay for everything however Nathan does not think that is true. Nathan found that Karl Kunetson was insured with Desmit in 2013 however he was no renewed then and could not find any evidence of having any other insurance since. When he applied for insurance with American Family he told the agent that he was insured with Desmit however that was a year prior to purchasing this policy. Nathan told us that their adjuster Maureen Roberts (800)692-6326 ext 58834 may have additional information for us in regards to the care custody and control that the Kunetsons had of the insureds cows. The American Family claim number is 00-225-098682. Nathan told me that he did not have any evidence of rustling and did not have copy of the books or records of the cows.	
1/9/2015 10:52	File Notes	Spoke to Sheriff Williams	He said there was an on going investigation and a case report number 14-10385. He told me he thinks the case will be open for a while and the report will not be available until they have concluded their investigation. He said he has also had trouble contacting Karl Kunetson and he is trying to follow up with his employees. They have not recieved any of the books or paperwork for the cows from him.  He did say that Nathan Tairud has been investigating this for American Family he encouraged me to contact him.	
1/7/2015 17:25	File Notes	Left message for Meade Co. Sheriff	<b>We left message for officer williams to see if we could get the sheriff's report.</b>	
1/7/2015 17:24	File Notes	Left message for Karl Kunetson	We left a message for Karl Kunetson asking if we could take a statement from him.	
			I have reviewed and discussed this claim with Mike e.	



1/6/2015 16:53	File Notes	File status	<p>There is a possibility that the loss of these critters may be the subject of a coverage gap in that the loss is the results of notice on an inventory and if not that the may be a conversion involved. In either event I have asked Mike to completed his investigation under the confines of a non-waiver and to complete an e-report as this claim will need to be submitted to CCC and PCM for review.</p> <p>To supportt this contention there is no definitive proof that these cattle were stolen as the result of a russeling activity. The allegation taht the custom feeder that the Insured contracted with may somehow be involved supports the possibility of the conversion issue as such we will need to conduct some additional investigation prior to accepting or declining this claim for loss of livestock.</p>	
12/16/2014 15:41	File Notes	Spoke to claimant carrier	We left message for adjuster Moreen Roberts (800)692-6326 ext. 58834. Their claim is 225098682. A claim has been turned into Karl Kunetson's insurance carrier and we have left message for a status to see if they have accepted liability.	
12/3/2014 9:05	File Notes	ISO Report	ISO	ISO Match Report
12/3/2014 9:05	File Notes	ISO Report	ISO	ISO Match Report
12/1/2014 10:52	File Notes	Details of the theft from the insured	The insured has provided us with details of the cow theft which we have attached to the file	Events.pdf
11/24/2014 13:22	File Notes	Subrogation	<p>The insured feels that Karl Kunetson (605)391-8030 who was feeding the cows and calves and calved them for the Insured is involved with the theft of his cows. Karl Kunetson has told the insured that his insurance Ameican Family and agent Wade In spearfish will cover this loss.</p> <p>The insured is concerned that this may not be the case as Karl Kunetson currently has a criminal case pending 46C13-146A0. Karen Bryan (605)645-1767 and her attorney Rhonda Miller (605)723-0678 have been persuing a similar cattle loss against Karl Kunetson.</p>	
11/24/2014 13:07	File Notes	meade Co. Sherriff	<p>The Insured contacted the meade co. Sherriff who is conducting an investigation.</p> <p>We will ask for a report from them.</p>	
11/24/2014 13:06	File Notes	Recorded statement Insured	<p>We took recorded statement from insured. He took 134 head of cattle to Karl Kunetson's(605)391-8030 pasture 20 miles east of Sturgis. They lost one cow in the transportation up there and one during calving.</p> <p>They have 15 cows that are mlsing when they brought down cows on the 9th of October.</p> <p>They also had 122 calves and brought 95 back so they also had 27 missing calves.</p> <p>The insured feels the value of the cows are \$2850 each and they weighed 1450 lbs. each 15 @ \$2850 is \$42,750</p> <p>The insured lost 27 calves and the just sold calves at \$1587 each. The calves weigh 570lbs on average. 27 calves @ \$1587 is \$42,849.</p>	Gregerson, Leonard 2.WMA , Gregerson, Leonard 1.WMA , Gregerson, Leonard 3.WMA

11/24/2014 12:54	File Notes	Recorded statement Carl Oberltnr	Carl Oberltnr loaned insured \$350,000 to purchase cows. We have enclosed is recorded statement.	Oberltnr, Carl.WMA
11/24/2014 12:51	File Notes	Non Waiver	Non Waiver	non waiver.jpeg
11/24/2014 9:09	File Notes	ISO Report	ISO	ISO Match Report
11/24/2014 9:09	File Notes	ISO Report	ISO	ISO Match Report
11/21/2014 15:06	File Notes	spoke to insured	Said he would meet me on Monday and show me where the cows were stolen. He said he rents a pasture from Carl Kuntuson in Meade co. That is where the cows were taken from. He says he thinks Carl may have taken them but he does not have any evidence of this. He asked me to call him sunday night at 8:00pm to set up a time to meet on monday. His cell is (605)209-2800	
11/21/2014 14:33	File Notes	Left message for insured	Left message for the insured.	
11/21/2014 14:26	File Notes	Claim Assignment	Claim assigned to Mike Elliott...caa	
11/21/2014 12:26	File Notes	Send Acknowledgement to Performer		Send Acknowledgement to Performer, , FIRST_REPORT_SNAPSHOT_c7d22563-b17a-4cff-8f2a-14eb14f8611e.html
11/21/2014 12:26	File Notes	First Report Snapshot		FIRST_REPORT_SNAPSHOT_c7d22563-b17a-4cff-8f2a-14eb14f8611e.html



**Meade County Sheriff's Office**  
1400 Main St.  
Sturgis SD 57785  
(605)347-2681

To whom it may concern:

February 3, 2015

My name is Chris Williams and I am an Investigator with the Meade County Sheriff's Office in Sturgis, South Dakota.

October 30, 2014 around 1558 hours I was met at my office by Patricia and Kyle Gregerson. Patricia and Kyle wanted to report a cattle theft (Reference Meade County Case Report Number #14-10385). Patricia and Kyle were able to provide me with details of the incident and an active investigation was started.

As months have passed Gregerson's have been very cooperative towards my investigation and at no time have they been labeled or considered suspects. The information that has been collected indicates other persons involved un-related to the Gregerson's.

At this time this is still an active ongoing investigation. If you have any questions please feel free to contact me at any time.

Thank You

A handwritten signature in blue ink, appearing to read "Chris Williams", with the number "49017" written below it.

Christopher R Williams  
Investigator  
Meade County Sheriff's Office  
1400 Main St.  
Sturgis, SD 57785  
605-490-1817

Insured: Leonard Gregerson  
Loss Date: 10/17/2014

Policy #:7936007  
Claim #:A090314P00

### NON-WAIVER AGREEMENT

It is mutually agreed by and between Farm Bureau Property & Casualty Insurance Company and Leonard Gregerson who claims certain benefits from Farm Bureau Property & Casualty Insurance Company, that said Company will investigate the accident or loss which occurred on or about the 17<sup>th</sup> day of October, 2014, only with the understanding that Farm Bureau Property & Casualty Insurance Company is not waiving any rights it may have to deny insurance coverage, defense, or payment of such loss, and that any act, investigation, defense or offer of settlement or settlement made by Farm Bureau Property & Casualty Insurance Company to or on behalf of Leonard Gregerson shall not be considered to be a waiver of any rights by Farm Bureau Property & Casualty Insurance Company, nor shall this agreement be considered as a waiver of any rights that Leonard Gregerson may now or hereafter have.

The intent of this agreement is to preserve the rights of all the parties hereto while permitting an investigation of the cause and amount of loss, and possible compromise settlement of same if to a third party, and to defend claim if by a third party, without jeopardizing the rights of either of the signatory parties under the insurance contract.

This agreement entered into this 24 day of Nov, 20 14

FARM BUREAU PROPERTY & CASUALTY  
INSURANCE COMPANY

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By:

Leonard Gregerson  
Insured

\_\_\_\_\_

**ISO CLAIMSEARCH MATCH REPORT SUMMARY**

A claim report identified by ClaimSearch identification number 8Q003763092 was received by ISO ClaimSearch on 11/23/2014. Submission of this claim report initiated a search for similar claims. The claim(s) listed below appear(s) to be similar to the claim submitted. Reasonable procedures have been adopted to maximize the accuracy of this report. Independent investigations should be performed to evaluate the relevant data provided.

If you have any questions concerning your report, please contact Customer Support at (800) 888-4476.

**INITIATING CLAIM INFORMATION**

Claim Number: A090314P01

Date of Loss: 10/17/2014

Policy Number: 0000000007936007

ISO File Number: 8Q003763092

**SUMMARY FOR EACH SEARCHABLE PARTY****LEONARD GREGERSON, BOTH CLAIMANT & INSURED**

No matches for this party

Coverage: Property

Loss Type: Theft

	SAME LOSS TYPE	SIU INVOLVEMENT	NAME	ADDRESS	SSN	PHONE	DRIVER'S LICENSE	VIN	LICENSE PLATE	KEY INDICATORS FOR THIS PARTY
# of Matches										• Delayed Report

**ISO CLAIMSEARCH MATCH REPORT DETAILS****Initiating Claim**

File Number: 8Q003763092

Company: F09200001

Claim Number: A090314P01

Date/Time of Loss: 10/17/2014 00:00

Policy Number: 0000000007936007

Policy Type: Personal Property Farm

Inception Date:

Expiration Date: 05/16/2015

Policy Renewed?: N

Company Received

Date: 11/21/2014

ISO Received Date: 11/23/2014

Loss Description: INSURED BEST # 605-255-4609. 15 COWS AND 27 CALVES

Location of Loss: SD

US

**Involved Party Both Claimant & Insured**

**Name:** LEONARD GREGERSON  
**Address:** 13765 LAME JONNY RD  
FAIRBURN, SD \*  
**DOB:** 09/07/1959  
**Gender:** Male  
**Home Phone:** (605) 255-4609  
**SSN:** XXX XX 3956 was issued between 1962 and 1963 in SD

**Property Coverage Information**

**Loss Type:** Theft  
**Claim Status:** Open  
**Adjuster Company:** FARM BUREAU PROPERTY & CASUALTY INSURANCE CO  
**Adjuster:** ELLIOTT, MIKE  
**Fire incendiary in nature?:** N  
**Theft Location:** Residential  
**Property Lost/Stolen:** Other

	Building	Contents	Use and Occupancy	Stock	Other/Scheduled
Policy	-	-	-	-	-
Estimated Loss	-	-	-	-	-
Reserve					2,099
Paid	-	-	-	-	-

No Matches

**ISO CLAIMSEARCH MATCH REPORT SUMMARY**

A claim report identified by ClaimSearch identification number 2T003755371 was received by ISO ClaimSearch on 11/23/2014. Submission of this claim report initiated a search for similar claims. The claim(s) listed below appear(s) to be similar to the claim submitted. Reasonable procedures have been adopted to maximize the accuracy of this report. Independent investigations should be performed to evaluate the relevant data provided.

If you have any questions concerning your report, please contact Customer Support at (800) 888-4476.

**INITIATING CLAIM INFORMATION**

Claim Number: A090314P02

Date of Loss: 10/17/2014

Policy Number: 0000000007936007

ISO File Number: 2T003755371

**SUMMARY FOR EACH SEARCHABLE PARTY****LEONARD GREGERSON, BOTH CLAIMANT & INSURED**

No matches for this party

Coverage: Property

Loss Type: Theft

	SAME LOSS TYPE	SIU INVOLVEMENT	NAME	ADDRESS	SSN	PHONE	DRIVER'S LICENSE	VIN	LICENSE PLATE	KEY INDICATORS FOR THIS PARTY
# of Matches										• Delayed Report

**ISO CLAIMSEARCH MATCH REPORT DETAILS****Initiating Claim**

File Number: 2T003755371

Company: F09200001

Claim Number: A090314P02

Date/Time of Loss: 10/17/2014 00:00

Policy Number: 0000000007936007

Policy Type: Personal Property Farm

Inception Date:

Expiration Date: 05/16/2015

Policy Renewed?: N

Company Received

Date: 11/21/2014

ISO Received Date: 11/23/2014

Loss Description: INSURED BEST # 605-255-4609. 15 COWS AND 27 CALVES

Location of Loss: SD

US

**Involved Party Both Claimant & Insured**

**Name:** LEONARD GREGGERSON  
**Address:** 13765 LAME JONNY RD  
FAIRBURN, SD \*  
**DOB:** 09/07/1959  
**Gender:** Male  
**Home Phone:** (605) 255-4609  
**SSN:** XXX XX 3956 was issued between 1962 and 1963 in SD

**Property Coverage Information**

**Loss Type:** Theft  
**Claim Status:** Open  
**Adjuster Company:** FARM BUREAU PROPERTY & CASUALTY INSURANCE CO  
**Adjuster:** ELLIOTT, MIKE  
**Fire incendiary in nature?:** N  
**Theft Location:** Residential  
**Property Lost/Stolen:** Other

	Building	Contents	Use and Occupancy	Stock	Other/Scheduled
Policy	—	—	—	—	—
Estimated Loss	—	—	—	—	—
Reserve					2,099
Paid	—	—	—	—	—

No Matches



Leonard Andrew Gregerson (1)

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This is Mike Elliott I'm speaking with Leonard Gregerson. We're discussing an incident that occurred on October 17<sup>th</sup> 2014. Today's date is ah Monday November 24<sup>th</sup> 2014 the time is 9:58 a.m. Leonard, do you realize that I'm recording this interview?

A. Yeah, yes I do.

Q. Do I have your permission to do so?

A. Yeah.

Q. Okay could you tell us your full name please?

A. Ah Leonard Andrew Gregerson.

Q. How do you spell your last name?

A. G-R-E-G-E-R-S-O-N.

Q. What's your address at home?

A. Ah 13—13765 Wayne John Road.

Q. Okay and is that in Fairburn?

A. Yeah it's Fairburn.

Q. Okay and um what's your home phone number?

A. 605-255-4609.

Q. Do you have a cell number?

A. Yeah 209-2800.

Q. Okay what's your date of birth?

A. Oh September 7<sup>th</sup> 1959.

Q. Are you married?

A. Yes.

Q. What's your wife's name?

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A. Patricia Jo Gregerson.

Q. Okay what's your occupation?

A. Ranching.

Q. Okay. How long have you done that?

A. All my life.

Q. Okay. We are discussing an incident that occurred on October 17<sup>th</sup> 2014 um can, can you tell us about ah the cows and, and um just kind of walk us through when, when you purchased them and where you placed them?

A. Well we purchased them in ah oh we bought them in January but we never got them home till in February and then ah we didn't have a lot of feed so anyhow this guy could winter them cheaper than I could and he said he kept them out, he'd take care of them and we moved them up there like the middle of like the middle of February sometime and he's calved them out and stuff like that and then we took them to summer pasture right around the 1<sup>st</sup> of June and we branded 122 head of calves and he said there's five pairs in the neighbors and he said he had the rest of them at home that hadn't calved yet. So anyhow we run them through the summer up there and then my son, he took up 50 head of pairs too right around the 1<sup>st</sup> of June and he run his up there and then in ah end of September why we ah got them in, gave them their fall shots and everything. We realized we were short quite a bunch of cattle then and then when we finally brought them home we only had 95 calves and let's see, what did I say for cows? I've been through this so many times. Yeah we brought home like a 112, 13 head of cows and we had 100 and well let me go back on this too. We brought five dries home in March and we took a 134 up there and we lost two cows up there; one on the truck when we went up and one—I don't know when we lost it. I never did see the cow but anyhow why we only came home with 113 or 12 cows; I think it was 112 but anyhow why and 95 calves out of 134 cows which anyhow why that's kind of the story there so.

Q. Okay what kind of cows were they that you purchased?

A. They're all black cows pretty much except for ah there's a few black baldies in there, black bronco faces. Maybe eight head of them.

Q. Okay they were Black Angus?

A. Yeah.

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Q. And then who is the person that you ah moved them up to and who was responsible for calving them?

A. Carl Knutson.

Q. You know the address up there?

A. I don't know his address. We always paid him whenever we went up there for the pastures or whatever. I don't know if he ever give me an address but he took them to his dad's place and that would be Darrell Knutson to start with and I think him and his dad owned the summer pasture together. That's the way I gotten told.

Q. Okay and um what um do you have a phone number for either of them or?

A. Well you've got it on there. That would be ah—what is it? 605-391—I can't see it, I don't have my glasses.

Q. Okay it's 8030. Okay, okay and um so that's Carl's phone number, 605-391-8030 and um what—did you have any difficulties with Carl while you were um running the cows up there?

A. No, not really. I mean he was always there whenever we went up there. We called him you know so we could look at things together and I guess that's, that would be about it. No, we never really had a cross word or anything.

Q. When did you first realize there was some missing cows?

A. Well in September when we got em in to give the shots to the calves, their fall shots but you know you miss four or five pairs you know, they get in the neighbors, whatever but we knew we were missing quite a bunch of cattle then so anyhow we came home and ordered trucks and went up the next week and picked everything up.

Q. And then how many um how many calves did you have up there from these cows?

A. You know I never ah I just took his word for it and he said he didn't lose very many calves you know out of a bunch like that you know you lose five or six calves why you know that would be about it unless you'd have a heck of a storm or something.

Q. So he told you how many cows he'd—calves that he delivered up there then?

A. Yeah.

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Q. Okay did he tell you how many there were?

A. Well when we went to pasture everything wasn't calved out and we branded ah 122 head of calves; me and my son and our crew went up there and he had some help and anyhow why he said there was five in the neighbors and the rest of them was at home at his dad's or his place or I can't really say where they was because I didn't see them but he told me they were there.

Q. Okay and then how many, how many cows do—are you missing and how many calves do you think are missing?

A. We're missin 15 cows and 27 head of calves.

Q. Okay and um do you have an idea on the value of the cows?

A. Well I just figured we're gonna sell them here in December and I figured they'd bring home 2850 clear and that's ah with everything out if their bred; if they're not bred well they're probably worth about 17 to 1800 bucks but we'll know when we bred check which we're doin tomorrow. Anyhow we'll know how many dry cows we got and stuff and you always got like a five percent dry cows and the calves why they, we sold our calves they average about 570 pounds and—but our money take home money a piece on them was 1500 and 87 dollars.

Q. Okay do you remember what you paid for the cows originally when you bought em?

A. Yeah it was between 1900 and 2000 bucks.

Q. Where did you buy them from?

A. They came out of Montana. I'm trying to think of that ah—Great Falls, Montana.

Q. Okay, okay. Have, have um has anybody told you that they've had any difficulties with the Knutson's' before you know suggesting that there was missing cows that they had?

A. Yeah well they never told me but my wife checked into it and evidently whether he's up with with a few charges or whatever and I can't tell you the rest of it. My wife's got all the paperwork on it and so. She'll fax that to you or whatever.

Q. Okay. Um what do you feel is the reason that these cows went missing, why—why do you think that they're gone?

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Leonard Andrew Gregerson (1)

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- A. Well we can't find them no place up there and they're just like they left the country overnight and that's about all I can say. We looked all over, we've been up there four or five times and looked all over and my son had a bunch of his buddies too and anyhow—

(End of tape 1)

JP

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FB0387

Leonard Andrew Gregerson (2)

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This is Mike Elliott I'm um still speaking with Leonard Gregerson ah we're discussing an incident that occurred on ah, ah October 17<sup>th</sup> 2014 um the date today is Monday, November 24<sup>th</sup> the time is 10:09 a.m. and um Leonard, do you realize that we're recording this again?

A. Yes, yes I do.

Q. Can we have your permission to do so?

A. Yes.

Q. Okay ah we were discussing a little about um, um Carl Knutson and Dale Knutson um who um is the owner of the land where your cows were being pastured and if you may have heard of anyone else that had some difficulties ah with them?

A. Yeah that's what we were doin I guess, yeah. I did hear some other stuff but ah my wife's got all that on paper and she will send it, she'll send it to, the adjuster here and anyhow why that's about all I can do for right now. You got anymore questions?

A. I do. Um have um have you had any conversation with Carl since this happened? Have you discussed um you know your missing cows and—

A. Yes about every day there for a while and he keeps saying he's got insurance, had American Family and I talked to him on the way up here this morning. He swears he's got insurance so anyhow why that's where we're at but he did offer to get the plat of the land and everything too. So I guess that's about all I can say. I've probably talked to him 75 times since then.

Q. Does, does he keep any kind of records for the cows? Does he know how many cows that you brought to him and how many calves that you had?

A. Yeah he kept calving records and we did take ah 134 cattle up there to start with and we brought home five dries and then the rest of them are up or supposedly up there.

Q. Okay and have you discussed with him how many ah cows and calves that you feel are missing?

A. Yes I have.

Q. And did he agree to that number or?

A. Yes, yes he did.

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Leonard Andrew Gregerson (2)

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Q. And did he say that he was going to have his insurance pay you for those or?

A. Yes he did.

Q. Okay and his insurance—who's his agent there?

A. Wade somebody from ah American Family in Spearfish, South Dakota.

Q. Okay.

A. And I don't have his last name my wife's got all that at home.

Q. Okay. And then did you report this to the police or to the sheriff?

A. Yes my wife, my son went up to Sturgis, Meade County Sheriff and they ah they made ah what do you call it? Anyhow where they filed for the cattle theft because they're missin and they had to make out a sheriff's report I guess is what he'd called it and they know about everything that we've talked about right here today so.

Q. Do you think there's a way that these cows could have just died maybe and ah um or do you think they were stolen?

A. I think they had to be stolen, excuse me I think they had to be stolen cause they're no place around there. That many dead cattle why you would smell em or find em or you know what I mean and I don't think there's a dam big enough well not, not sure that they could get in but cattle do float when they're dead so. Somebody should have noticed it if his neighbors or somebody. I think they're stolen so.

Q. Okay who do you think stole them?

A. I don't know if it's the guy that run em. I kind of got it in my head that he had something to do with it because you know nobody goes in your pasture and takes that many cattle without you noticing it and that's about all I can say there.

Q. Okay and then guy that run em what was his name again please?

A. Carl Knutson.

Q. Are there any neighbors nearby that you found some cows in or you thought could have been involved in this?

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Leonard Andrew Gregerson (2)

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A. No, the neighbors I'm pretty sure wasn't involved. We ah, you know cattle did get out, I mean we'd get in a bull or bull or whatever when we went up there but ah and supposedly, they are supposed to be in his neighbor on the west last name's Castile, I don't know the guy's first name cause it's kind of out of my country but anyhow why after he got everything all rounded up why we did find my son's cows. He runs 50 head up there, we got back 50 head of calves and 50 head of cows and—no but there's just gone out of that country because my son and his buddies and I've been up there a couple of times too and I mean we rode a lot of that country probably 25, 30,000 acres up there and never saw nothin.

Q. Okay did you son lose any of his cows or calves?

A. Nope, he got every one of them back.

Q. Okay.

A. 50 cows, 50 calves.

Q. Okay, okay and um do you know of anybody else that lost some cows that were um keeping up there at the Knutson's pasture?

A. I've heard stories but I couldn't, I couldn't say for sure.

Q. Okay. Is ah is there anything else about this that you think would be important for us to understand?

A. Not really but I will help all that I can to try to get this deal figured out but I think they're gone and there isn't much else I can do about it really.

Q. Okay, could you give us some ballpark dollar figure that you feel that you've lost because of this?

A. Well let's see probably lost about \$85,000 worth of cattle.

Q. Okay, okay and that's the 15 cows and 27 calves, right?

A. Yes sir.

Q. Um have you understood all my questions?

A. Yes I have.

Q. Have all your answers been true and correct to the best of your knowledge?

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Leonard Andrew Gregerson (2)

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A. Best of my knowledge, yes, yeah.

Q. Okay thank you very much ah for your time, with your permission I'll turn off the recording.

A. Yeah that's fine. Thank you.

Q. Okay.

Leonard Andrew Gregerson (3)

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This is Mike Elliott again, I'm speaking again with Leonard Gregerson um I have one more additional question ah for Leonard. Ah the date is still ah Monday November 24<sup>th</sup> the time is 10:18 a.m. um Leonard, are you the owner of these cows that were stolen?

A. Yes I am.

Q. Do you have a partner with these cows?

A. Not really I borrowed the money from another guy, Carl Oberlitner.

Q. Okay and um—

A. I guess you could kind of say he's kind of in it too but I mean I borrowed the money from him to buy the cattle and then he's supposed to get paid off this fall or after the first of the year when we sell the rest of the cattle.

Q. Okay how much money did you borrow from him?

A. I suppose with everything probably about 340 grand.

Q. Okay wow.

A. And then um—

Q. How do you know Carl?

A. Oh just kind of an old time friend. He lives near Hermosa and we got to be friends.

Q. Okay, okay do you know his phone number?

A. Its 890—what is that 1320—

Q. 7.

A. 1357.

Q. Okay have—

(End of tape 3)

JP

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